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ALASKA DEPARTMENT OF LABOR
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ALASKA ECONOMIC TRENDS

1—The Oil and Gas Industry
2—Anchorage Employment Up
3—Southeast Timber Industry Continues Decline

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ALASKA ECONOMIC TRENDS

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ALASKA LABOR FORCE IN SEPTEMBER

By Brit Harvey

Total nonagricultural wage and salary employment in Alaska was 186,200 in September, a 1.7% decline from August. Indicative of Alaska's recent economic expansion, September employment was 4.5% above last year.

Oil and gas employment was stable in September, ending a summer-long decline. Summer decreases were due to seasonal drilling restrictions on off-shore and river delta wells in the Beaufort Sea area, the finish of other wells begun earlier in the year, and the transportation limitations on the North Slope when ice access roads are unavailable. Judging from past years, oil and gas employment is likely to increase with the advent of the Arctic winter. Freeze-up allows the construction of ice roads and pads, and eases the cleaning up of any spills which might occur.

The decline in oil and gas employment during the summer months was attributable to layoffs by smaller drilling contractors and oil field service firms. The large corporations operating in Alaska retained their employees, particularly Anchorage administrative staff.

While the oil and gas industry directly employs 6,700 workers, the indirect employment impacts of Alaska petroleum development are even more substantial. Oil and gas is Alaska's most important basic industry and the key to recent employment growth. Oil and gas corporation expenditures and state revenues have become the dominant factors influencing Alaska employment trends.

Oil and gas industry capital investment contributes strongly to construction employment. The current boom in Anchorage office construction is paced by oil and gas demand. Massive construction projects on the North Slope, including waterflood and Kuparuk field development, also contribute to Alaska construction employment despite module fabrication work being done in Washington and California.

Alaska is the second largest producer of oil among states following Texas. Approximately 18% of U.S. production occurs in Alaska.*1/* The Alaska petroleum industry is dominated by three firms; Sohio, Atlantic Richfield (ARCO) and Exxon.

Sohio and Alaska have a unique relationship. Sohio is Alaska's largest crude producer, with a 50.4% share of Prudhoe Bay production.*5/* Sohio also owns 33.4% of the oil pipeline by far the largest share.*2/* This makes Sohio arguably Alaska's most important corporation.

While Sohio holds a large share of the Alaska oil industry, Alaska oil is an even larger share of Sohio's crude production. In 1980 Sohio produced 702,000 barrels per day of North Slope crude and only 19,600 elsewhere.*10/* Ninety percent of Sohio's cash flow is derived from Prudhoe Bay.*10/*

In the 1960's Sohio was a regional refiner and marketer of petroleum products with very small crude holdings. In 1969, Sohio obtained its Prudhoe Bay leases from British Petroleum (BP) in exchange for 53% of Sohio stock. Although Sohio and BP continue to operate autonomously, BP, one of the world's largest multinational energy corporations with headquarters in London, does hold controlling interest in Sohio. BP also owns 15.85% of the oil pipeline. BP in turn is 25.01% owned by the British Government and 19.6% owned by the Bank of England.*3/* In 1979 Sohio accounted for 29.9% of BP's profits and represented 36% of assets. While most Alaskans know that the State of Alaska and U.S. governments receive income from Prudhoe Bay, few are aware of the income the British government realizes from Alaska crude production.

Sohio has shed its crude-short image, and is now the largest producer of U.S. crude and also holds the largest proven reserves.*4/* Sohio is the most profitable U.S. oil corporation. According to a 1980 Business Week cover story entitled "Investing a Mountain of Cash Before the Oil Runs Out; An Oil Giant's Dilema,"..."Sohio is now reaping a windfall beyond any other (U.S. oil) company."*10/* In 1976 Sohio's return on investment was 3.6%. On June 30, 1980 it was 25.2%,*10/* and in the first quarter of 1981 it was 24.9%, the highest of any U.S. energy corporation.*6/* Whether Sohio and British Petroleum choose to invest these profits in Alaska or elsewhere will have an impact on future Alaska economic development and employment.

Publication of specific data concerning individual firms employment in "Alaska's Economic Trends" must be approved by the firm. Employment data specific to Sohio does not appear here because approval was not obtained before publication deadlines.

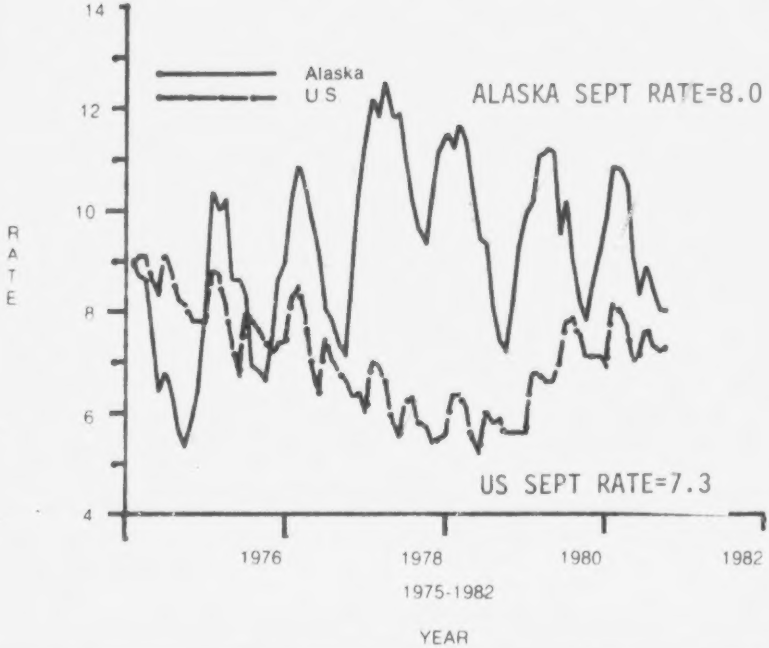
> While most Alaskans know that the State of Alaska and U.S. governments receive income from Prudhoe Bay, few are aware of the income the British government realizes from Alaska crude production.

ARCO, which operates the Prudhoe Bay field along with Sohio under a unitization agreement is Alaska's second most important oil corporation. With a 20.4% share of Prudhoe Bay production and 21.0%[2] ownership of the oil pipeline, Alaska is a major aspect of ARCO's operations. ARCO crude production is far more diversified, though, than Sohio. In the first quarter of 1981 ARCO's sales were more than twice Sohio's, but profits were substantially lower.[6] ARCO, with a major Anchorage office building under construction and a newly formed Alaska operations subsidiary, ARCO Alaska Inc., maintains a high public profile in the state.

Exxon, the world's largest corporation ranked by sales, has a 20.4% share of Prudhoe Bay production and 20.0% share of the pipeline. While Exxon's holdings are substantial, it is not an operator of the Prudhoe Bay field, and Alaska is a minor portion of Exxon's world dealings.

While oil and gas industry operations are an important source of employment, the impact of Alaska oil and gas on the state's employment is felt even more heavily through the medium of the state. State oil and gas revenues support spending and subsidized lending programs which permeate almost every nook and cranny of Alaska's economy. The employment generated by state oil and gas income is difficult to quantify, but clearly substantial.

Alaska and U.S. Unemployment Rate
Not Seasonally Adjusted

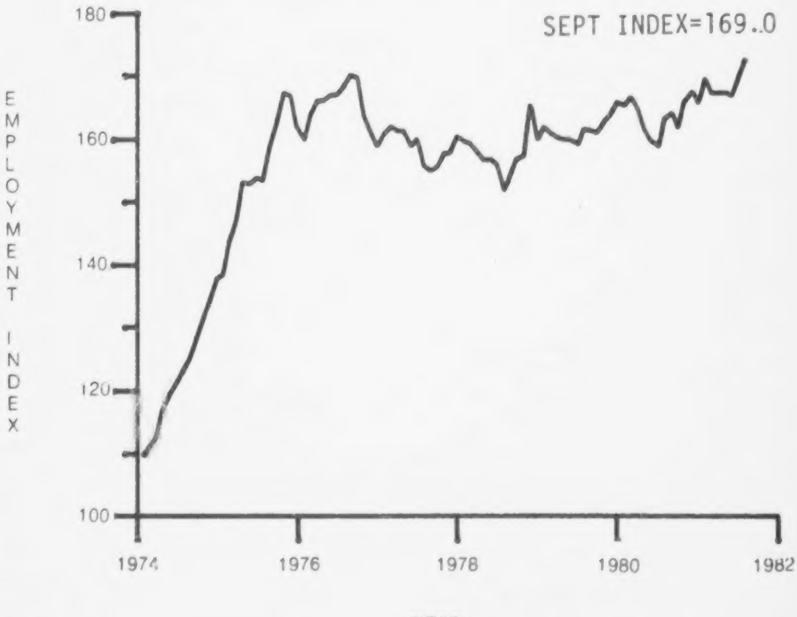


As an oil producing region, Alaska benefits from high oil prices. From the industry perspective, high prices make lower quality field development commercially feasible, generating increased employment. High oil prices also boost state revenues, allowing increased state economic stimulation. Currently the world oil market is not favorable for crude producers. Alaska is having difficulty selling its royalty oil. World oil prices are expected to continue the decline begun this summer at least until the next OPEC conference in December.6/ Predicting long-term energy prices is difficult, but most current reports foresee much less demand and lower prices than was the case with studies made as recently as two years ago. A recent Texaco study reported in "Petroleum Economist" magazine projects real annual price increases for crude oil of only 1 to 2% until the year 2000. Phenomenal conservation efforts in developed countries and a far higher demand elasticity for petroleum products than most thought possible in the 1970's are cited. Business Week claims that OPEC's price-setting days are over.8/

While moderating oil prices will clearly result in less state revenue, the effect on employment is problematic. In general, oil prices, state revenues and expenditures, oil corporation investment, and employment increases are likely to vary in similar directions at least for the next several years.

Talks are expected to take place between the U.S. and Japan concerning the direct export of Alaska oil to Japan.9/ The U.S. would in turn receive oil from Mexico which Japan holds contracts for. This scheme would decrease shipping costs, and effectively make Alaskan oil more valuable. Congressional approval would be necessary. Currently one-seventh of all

Alaska Nonag. Employment Index



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

	9/81[P]	8/81[R]	9/80	CHANGES FROM 8/81	CHANGES FROM 9/80
Nonag. Wage & Salary	186300	189700	178200	-3400	8100
Mining	7500	7700	6900	-200	600
Construction	15900	15700	13300	200	2600
Manufacturing	13300	17500	15100	-4200	-1800
Food & Kindred Products	7300	11200	8500	-3900	-1200
Lumber & Paper Prod	2700	3000	3500	-300	-800
All Other Mfg	3300	3300	3100	0	200
Trans. Comm. & Util	19200	19100	17800	100	1400
Trucking & Warehousing	2200	2100	2100	100	100
Water Transportation	1800	1800	1400	0	400
Air Transportation	5900	6200	5500	-300	400
Other Trans. Comm. & Util	9300	9000	8800	300	500
Trade	32000	32100	30500	-100	1500
Wholesale Trade	6100	6300	5700	-200	400
Retail Trade	25900	25800	24800	100	1100
Gen. Mdse. & Apparel	4400	4300	4300	100	100
Food Stores	4400	4300	4000	100	400
Eating & Drinking Places	9000	9200	8600	-200	400
Other Retail Trade	8100	8000	7900	100	200
Finance-Ins. & R. Estate	8600	8800	8300	-200	300
Services & Misc.	32500	32500	31400	0	1100
Government	57300	56300	54900	1000	2400
Federal Government	18000	18200	17600	-200	400
State Government	16500	16200	15900	300	600
Local Government	22800	21900	21400	900	1400

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

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cargo tonnage passing through the Panama Canal is Alaska crude. Major oil companies are planning a trans-Panama pipeline. Direct export to Japan of Alaska crude might obviate the necessity for this project.

A secondary effect of Alaska - Japan oil export would be the availability of Japanese refinery capacity. Refinery capacity for high-sulfur Alaska crude is unavailable on the U.S. west coast. This was one reason the Alpetco refinery was considered. Shipment of Alaska crude to Japan could effect the outlook for an Alaska refining industry and associated construction and operations employment.

In addition to direct employment and construction employment related to offices and field development, the oil and gas industry supports employment in other industries as well. NANA/VECO's drill rig manufacturing operation is based on Alaska rig demand. Alaska's secondary industries, particularly transportation and services, are also supported by oil and gas demand.

Construction employment in September increased. The 280 job jump over August is unusual, as the fall seasonal downturn would normally take effect. The 1981 construction boom continued into fall, as late starts on several major Anchorage office buildings and continuing residential construction kept employment advancing. All categories of construction employment were up, led by special trades.

Manufacturing employment was off 24% for the month and 11.8% for the year. The monthly drop was almost entirely due to seasonal layoffs in seafood processing. The downturn from a year ago is attributable to both seafood processing and forest products employment decreases. Both experienced strong employment in 1980. Seafood processing has also had a strong year in 1981, although an earlier peak in 1981 has resulted in the September year-to-year difference. Forest products is down from a year ago by 21.9%. The official figures do not show that a substantial portion of the mill workers included in employment in September worked less than half the month.

Government employment shifted from noneducation to education, with the total increasing 1.8% for the month. With a 4.3% increase over the year, the government employment trend is very close to the overall employment increase of 4.5%.

The non-basic industries (transportation and communication, trade, finance, insurance and real estate services) remained remarkably stable in September. Only finance, insurance and real estate showed more than a 1% monthly change, registering a 1.2% decrease.

Statewide unemployment remained steady at 8.0%, and showed only a slight change from a year ago. Both employment and unemployment were down, as the seasonal exodus from the Alaska labor force began.

In summary, Alaska's economy remained relatively expansive in September. Oil and gas employment ended a three month decline. Construction employment continued its expansion, and the non-basic industries held steady. The overall decrease for the month of 3400 jobs is attributable to the normal seasonal decrease in seafood processing employment. Many of these workers are only marginally attached to the resident Alaska labor force.

Sources:

1/ *"Oil and Gas Journal"; Oct. 5, 1981; p. 231.*

2/ *"Alaska Airlines Private Line Business News"; Sept., 1981; p. 4.*

3/ *"World Business Weekly"; Aug. 10, 1981; p. 46.*

4/ *"Sohio"; Fall 1981; Insert.*

5/ *Conversation with Ed Parkes, Alaska Division of Minerals and Energy Management, Anchorage; Oct. 13, 1981.*

6/ *"Petroleum Economist"; Sept. 1981.*

7/ *"Oil and Gas Journal"; Oct. 5, 1981; p. 228.*

8/ *"Business Week"; Oct. 12, 1981; p. 79.*

9/ *"World Business Weekly"; Sept. 28, 1981; p. 18.*

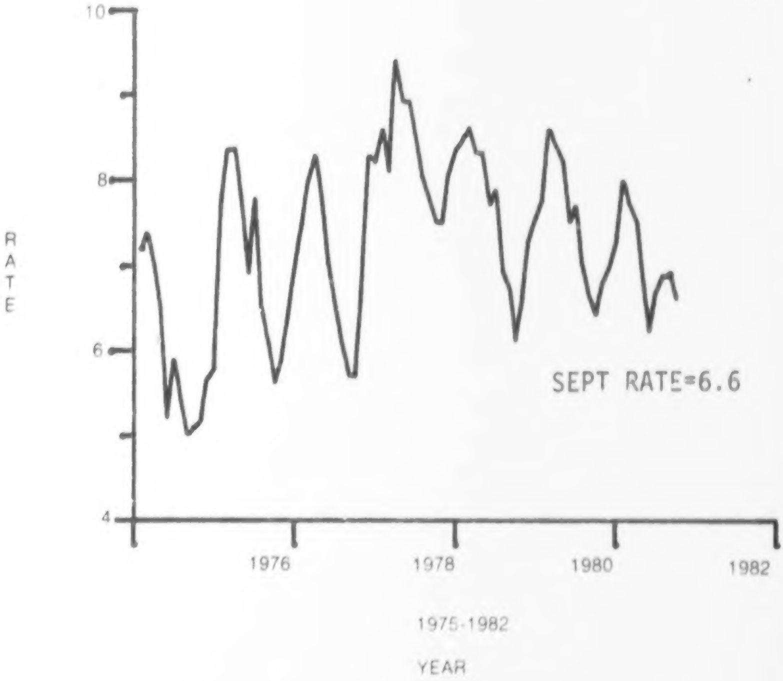
10/ *"Business Week"; 8/25/80; p. 60.*

ANCHORAGE-MATSU LABOR FORCE FOR SEPTEMBER

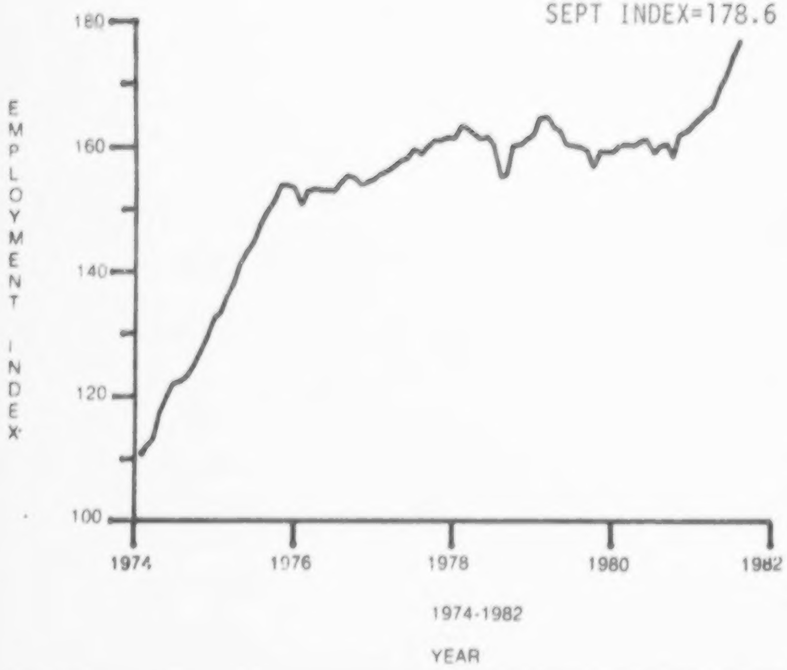
By Greg Huff

The Anchorage unemployment rate in September was 6.6%, while the MatSu rate registered 10.6%. Both rates are down from their August rates of 6.9% and 11.1%. This compares to the year-ago rates of 6.4% and 12.0%. The statewide September 1981 rate was 8.0%, while the national average unemployment rate registered at 7.5%.

Anchorage Unemployment Rate



Anchorage Nonag. Employment Index



The region's nonagricultural wage and salary employment rose above August's levels. Construction again lead the way in employment gains with 400 more people working than last month. Several major privately funded projects got under way in September, including the $41 million Frontier Building and the $40 million Arco Tower. Contractors through-out Anchorage say they will work right through winter. This in combination with the magnitude and number of projects will save a significant portion of jobs usually lost during the seasonal down turn.

Manufacturing employment again dipped, reflecting the severe drop in fish processing employment.

Trade employment rose by 300 over last month and slightly more than 7% above year ago levels, partly due to seasonal

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ANCHORAGE

	[p]	[r]		CHANGES FROM:	
	9/81	8/81	9/80	8/81	9/80
Nonag. Wage & Salary	89850	89400	82300	450	7550
Mining	3250	3200	2450	50	800
Construction	8950	8600	6950	350	2000
Manufacturing	2300	2550	2000	-250	300
Food & Kindred Products	550	800	450	-250	100
Other Mfg.	1750	1750	1550	0	200
Trans. Comm. & Util.	9000	9100	8150	-100	850
Trucking & Warehousing	1250	1250	1050	0	200
Water Transportation	500	500	300	0	200
Air Transportation	3250	3400	3200	-150	50
Other Trans. Comm. & Util.	4000	3950	3600	50	400
Trade	18650	18400	17200	250	1450
Wholesale Trade	4350	4400	4100	-50	250
Retail Trade	14300	14000	13100	300	1200
General Mdse.	1950	1900	1800	50	150
Food Stores	2050	2050	1800	0	250
Eating & Drinking Places	4950	4850	4750	100	200
Other Retail Trade	5350	5200	4750	150	600
Finance-Ins. & R. Estate	6000	6050	5300	-50	700
Services & Misc.	18350	18250	17800	100	550
Government	23350	23250	22450	100	900
Federal	10050	10100	9750	-50	300
State	5700	5350	5150	350	550
Local	7600	7800	7550	-200	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[p] Denotes preliminary estimates.

[r] Denotes revised estimates.

variations and partly due to the net increase of retail outlets. A portion of the year-to-year increase resulted because of the opening of several new restaurants. These include the Burger King on Northern Lights Blvd., The Sea Galley restaurant on C Street, Arby's at Northway Mall and Muldoon, and the more recent opening of Petesa Pete on Northern Lights across from Longs Drugs. Those 5 new restaurants have increased employment in the restaurant sector by over 200 jobs. Also adding to the increase in trade employment over-the-year, were the opening of the two Market Basket stores (one in Mt. View and one in Dimond) and a Longs Drug on Dimond. Combined, these stores employ an average of 120 people.

The opening of the Northway Mall last October has also stimulated over-the-year growth in retail trade employment with its 51 stores. Future growth in the trade sector will result with the expansion of the Dimond Mall from its present 40 stores to 110 stores by the summer of 1982. Lamonts, the largest single addition, could employ between 40-50 persons. The Bureau of the Census recently announced that there will be revisions to the 1980 population counts for the Anchorage and Matanuska-Susitna Boroughs. The 1980 Anchorage population was revised by 1414 persons to 174,431. The increase comes from the Eagle River area. The MatSu Borough population increased to 17,816 a rise of 50 persons.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MAT-SU

				CHANGES FROM:	
	9/81[P]	8/81[R]	9/80	8/81	9/80
Nonag. Wage & Salary	93700	93100	85750	600	7950
Mining	3350	3300	2500	50	850
Construction	9350	8950	7200	400	2150
Manufacturing	2400	2650	2050	-250	350
Trans. Comm. & Util.	9300	9350	8500	-50	800
Trade	19400	19100	18000	300	1400
Finance-Ins. & R. Estate	6100	6150	5450	-50	650
Services & Misc.	18800	18600	18300	200	500
Government	25000	25000	23750	0	1250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

FAIRBANKS/INTERIOR LABOR FORCE IN SEPTEMBER

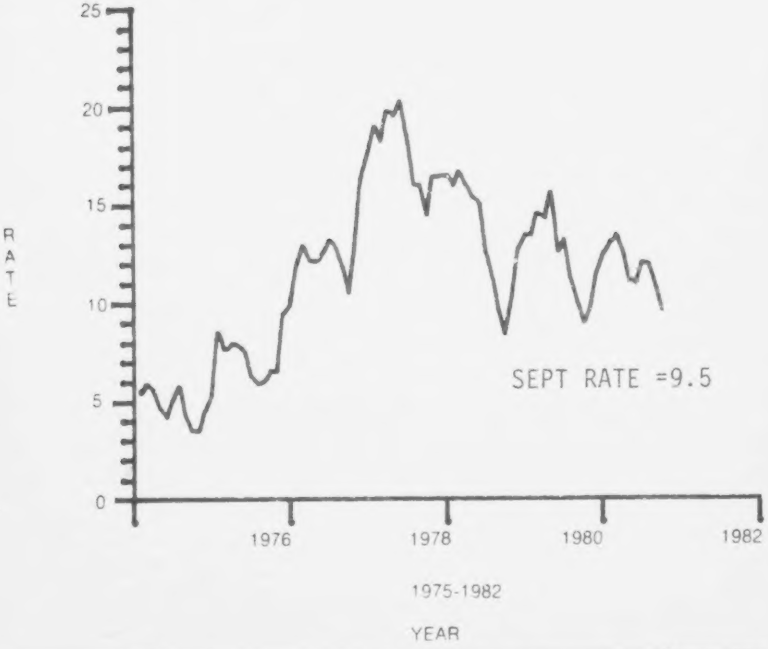
By Neal Fried

Fairbanks and the remainder of the Interior reached its employment peak this month. Fairbanks' unemployment rate fell to 9.5 percent, the lowest rate for 1981. The rate will begin to climb again as Fairbanks begins to go into its seasonal downward swing. September is typically the transition month, when some industries begin to lose employment, while others make their last push for the season. September is when the school season begins, which provides a big boost to Fairbanks' employment. This is not only limited to the local school staff coming on board, but also because the University of Alaska goes into full swing.

The University's enrollment grew again this year, by 9.6 percent. Staffing levels also grew slightly and presently 2000 people are directly employed at the University, which is nearly 10 percent of Fairbanks' entire wage and salary employment. This is one of the few industries in Fairbanks which prevents the economy from being entirely prone to deep seasonal downswings in the winter. Construction's wage and salary employment made its last push in Fairbanks for the season, growing by 100. Most other industries remained stable, with a few such as trade and services falling slightly, possibly partially due to the end of the tourist season.

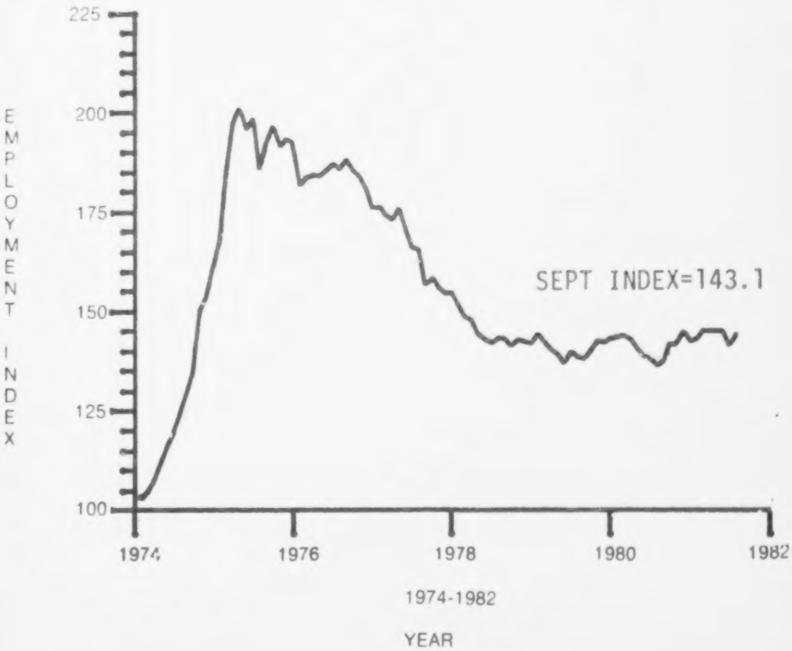
In another area of the Interior, September is becoming an increasingly crucial month, as larger crops of barley and other grains are planted each year in the Delta area. This year's

Fairbanks Unemployment Rate



harvest has again been plagued by poor weather. Only 37 percent of the crop has been salvaged thus far and it is becoming increasingly unlikely that much more of the harvest will be brought in this year. Precipitation in September has been the problem during the past two years--last year it was rain and this year snow.

This year, 20,000 acres were planted, which is up from 14,000 acres last year. In 1979, 1,000 acres were under cultivation. Of this year's acreage, 15,400 acres were planted in barley and the remainder were in oats, wheat and commercial grass seed.



Fairbanks Nonag. Employment Index

The grass seed and the oats (4,000 acres combined) were harvested earlier in the summer and therefore did not suffer any damage. The grass seed is headed for the U.S. domestic and international markets. The oats and wheat will be used for instate purposes. The barley, the backbone of the project, was slated to enter the international market, but because of the shortfalls this is less likely to happen. Despite these two bad years for the farmers, which may mean some backruptcies, the agricultural project is expected to continue on a fast track. Next season, 52,000 acres are expected to be planted and 60,000 more acres are expected to be sold in this February's lottery. There is apparently no lack of potential farmers, for the waiting lists are still growing.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK FAIRBANKS

				CHANGES FROM:	
	9/81[P]	8/81[R]	9/80	8/81	9/80
Nonag. Wage & Salary	23250	22950	22950	300	300
Mining	50	50	50	0	0
Construction	2450	2350	2200	100	250
Manufacturing	550	550	850	0	-300
Trans. Comm. & Util.	2900	2850	2800	50	100
Trucking & Warehousing	450	450	400	0	50
Air Transportation	700	700	750	0	-50
Other Trans. Comm. & Util.	1750	1700	1650	50	100
Trade	4150	4200	4050	-50	100
Wholesale Trade	700	700	650	0	50
Retail Trade	3450	3500	3400	-50	50
General Mdse. & Apparel	400	450	400	-50	0
Food Stores	550	550	600	0	-50
Other Retail Trade	2500	2500	2400	0	100
Finance-Ins. & R. Estate	750	750	750	0	0
Services & Misc.	4300	4400	4200	-100	100
Government	8100	7800	8050	300	50
Federal	2450	2550	2400	-100	50
State	3450	3250	3500	200	-50
Local	2200	2000	2150	200	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

Agriculture is far from being a labor intensive industry, but it does provide a livelihood for an increasing number of people in the Delta area. Only rough estimates have been made as to the number of people attached to this industry in Delta. In 1980 an estimate of 145 people was calculated. This includes the farmers, equipment dealers, other agricultural suppliers, clearing contractors, state people and all others attached in some way to the project. No estimates have been made for 1981, but one expert feels this number has increased by 35-50 percent. This is due to additional equipment people, construction

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK
INTERIOR

				CHANGES FROM:	
	[P] 9/81	[R] 8/81	9/80	8/81	9/80
Nonag. Wage & Salary	27200	26500	26550	700	650
Mining	250	250	250	0	0
Construction	2550	2450	2400	100	150
Manufacturing	700	750	900	-50	-200
Trans. Comm. & Util.	3800	3700	3500	100	250
Trade	4500	4500	4300	0	200
Finance-Ins. & R. Estate	800	800	800	0	0
Services & Misc.	4750	4850	4600	-100	150
Government	9850	9200	9750	650	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

workers, additional farmers and clearing operators. This year an additional flat storage area was added, along with 3 new silos and the fertilizer plant was completed. It is still too early to measure the project's success or lack of it, but in the near future, if plans continue at the present pace, an increasingly number of people will owe their livelihoods to agriculture in Delta and its economic infrastructure will continue to expand in this direction.

GULF COAST LABOR FORCE IN SEPTEMBER

By Neal Fried

With the coming fall, the Gulf Coast economy continued to cool down from the heat of the summer. Employment took its predictable plunge and unemployment grew, registering a rate of 9.7 percent. Half of the region's industries lost employment, two remained unchanged, and an equal number notched up gains. Construction grew only slightly, but local government grew by 15 percent. Government grew only because schools opened and school staff returned to work. Non-educational local government actually fell slightly because of seasonal layoffs.

Of those industries which lost employment, only one was actually responsible for the overall decline in the region--the omnipresent industry, fish processing. With the salmon season over, a large number of salmon canneries have shut down for the year and others are working with much smaller crews. This does not mean all fishermen have dry docked their boats, but instead many have switched gear and are now harvesting shell fish.

The king crab season opened in September in Kodiak, the major king crab area in the Gulf Coast. The season has started out well, with above average catches, and demanding high prices. The high prices are due to the fact that South West Alaska, the largest crab producing area in the state, is having a disastrous season, causing a shortage of crab. Though the higher prices are good for the fishermen, local crabbers are facing some increased competition from additional entry of crab boats in Kodiak's waters this year. The prices in some cases have reached to such levels, some canneries are no longer buying crab for fear they will not be able to find a market for their product. Despite this, fishermen have had no problem selling their product. Unlike processors in South West Alaska where a number have closed down because of a lack of product, crab processors in the Gulf Coast have benefitted from good catches in Kodiak, pushing employment in this industry slightly above last year in September.

Although the salmon season is over, new work to enhance this fishery will continue through the remainder of the year. Presently 3 hatcheries are being built in the region. The state is building the 7.9 million dollar Trail Lakes Hatchery near Seward and the 8.3 million dollar Main Bay Hatchery in Prince William Sound. A private non-profit fishermen's group is constructing the Salmon Gulch Salmon Hatchery near Valdez, utilizing water from the Solomon Gulch hydroelectric project. These three hatcheries are considered large because they have the capacity of 45 to 69 million eggs. This is the busiest year in the history for salmon hatchery construction for the region. There are currently four other state hatcheries and two non-profit hatcheries in existence. An additional two hatcheries are in the

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NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	9/81[P]	8/81[R]	9/80	8/81	9/80
Nonag. Wage & Salary	17350	18700	16900	-1350	450
Mining	900	900	850	0	50
Construction	1150	1100	1050	50	100
Manufacturing	3850	5500	3850	-1650	0
Food & Kindred Prod.	2900	4500	2800	-1600	100
All Other Mfg.	950	1000	1050	-50	-100
Trans. Comm. & Util.	1700	1650	1650	50	50
Trade	2550	2600	2400	-50	150
Wholesale Trade	400	450	300	-50	100
Retail Trade	2150	2150	2100	0	50
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2600	2650	2500	-50	100
Government	4150	3850	4150	300	0
Federal	550	550	550	0	0
State	1350	1350	1450	0	-100
Local	2250	1950	2150	300	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

planning stages, one of which hopes to use waste heat to build a warm water hatchery which allows the fish to develop more rapidly than in natural conditions. The construction of the hatcheries has been undertaken to both replace the wild fish stock lost because of fishery pressure and to enhance the overall fishery.

All species of salmon are being hatchery bred, but the most popular hatchery salmon are the pink salmon. This is because the pinks are hardier, can be reared more rapidly than the other species and they return in only two years. Each hatchery has a staff of approximately 4 full-time people and 5-10 seasonal workers. The amount of employment these fish hatcheries create in the fishery industry cannot presently be accurately calculated. Studies undertaken by the Alaska Department of Fish and Game measuring the cost/benefits show a high rate of monetary return for the hatchery bred fish.

SOUTHEAST ALASKA LABOR FORCE IN SEPTEMBER

By Debbie Berggren

Southeast employment dropped in September 4.1% or 1200 jobs. This was a little less than 1% below the year-ago level. The unemployment rate increased by one percentage point to 9.4%, or 2.5 percentage points above last year.

With the end of the fishing season, food and kindred products decreased 51.1% or 1200 jobs, contributing to almost all of the 27.3% decrease in manufacturing employment.

Due to methodology, our estimates for pulp mill employment did not reflect the temporary shutdown of Ketchikan Pulp Mill. Our survey is for the pay period which includes the 12th of the month. Anyone who has received pay for any part of the pay period is considered as employed. Because Ketchikan Pulp Mill was in operation for at least some of the survey period we did not reflect the shutdown.

Employment in the lumber and paper products sector continued to decrease in September, (despite the fact that we did not reflect the Ketchikan Pulp Mill shutdown), dropping to the lowest level experienced during the past seven years. This decrease in lumber and paper products employment has contributed greatly to the highest unemployment experienced during the past 6 years. Three of the 5 highest unemployment rates within Alaska during September were in the Southeast region. Prince of Wales and Angoon were in first and second place with unemployment rates of 14.8 and 13.8 respectfully. Outer Ketchikan was the fourth highest with an unemployment rate of 11.9%.

Employment in the secondary industries, (transportation, communication & utilities; trade; finance, insurance and real estate; and mining, services & miscellaneous), all remained stable over August.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	9/81[p]	8/81[r]	9/80	8/81	9/80
Nonag. Wage & Salary	28150	29350	28300	-1200	-150
Construction	1750	1700	1600	50	150
Manufacturing	3600	4950	4150	-1350	-550
Food & Kindred Prod.	1150	2350	1200	-1200	-50
Lumber & Paper Prod.	2200	2350	2700	-150	-500
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Util.	2800	2800	2800	0	0
Trade	4150	4150	3900	0	250
Wholesale Trade	450	450	450	0	0
Retail Trade	3700	3700	3450	0	250
Finance-Ins. & R. Estate	1000	1050	1050	-50	-50
Mining, Services & Misc.	3950	4000	3600	-50	350
Government	10900	10700	11200	200	-300
Federal	2150	2200	2950	-50	-800
State	5000	4850	4750	150	250
Local	3750	3650	3500	100	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[p] Denotes preliminary estimates.

[r] Denotes revised estimates.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	9/81[P]	8/81[R]	9/80	9/81[P]	8/81[R]	9/80	9/81[P]	8/81[R]	9/80	9/81[P]	8/81[R]	9/80
Alaska Statewide	198956	203478	192803	15837	16328	14997	8.0	8.0	7.8	183119	187150	177806
Anch.-Mat/Su Region	100938	101640	94097	7091	7439	6570	7.0	7.3	7.0	93847	94201	87527
Anchorage	90864	91464	84546	6025	6305	5421	6.5	6.9	6.4	84839	85159	79125
Matanuska-Susitna	10074	10176	9551	1066	1134	1149	10.6	11.1	12.0	9008	9042	8402
Northern Region	8542	8753	8279	570	667	667	6.7	7.6	8.1	7972	8086	7612
Barrow-North Slope	2489	2544	2358	141	163	116	5.7	6.4	4.9	2348	2381	2242
Kobuk	2489	2557	2431	190	225	236	7.6	8.8	9.7	2299	2332	2195
Nome	3564	3562	3490	239	279	315	6.7	7.6	9.0	3325	3373	3175
Southeast Region	30525	31852	31395	2859	2662	2168	9.4	8.4	6.9	27666	29190	29227
Angoon	500	520	498	69	65	42	13.8	12.5	8.4	431	455	456
Haines	1111	1161	1237	86	80	155	7.7	6.9	12.5	1025	1081	1082
Juneau	10718	11200	11101	849	787	675	7.9	7.0	6.1	9869	10413	10426
Ketchikan	6366	6630	6452	703	655	470	11.0	9.9	7.3	5663	5975	5982
Outer Ketchikan	1041	1083	1084	124	116	115	11.9	10.7	10.6	917	967	969
Prince of Wales	1773	1839	1701	263	246	106	14.8	13.4	6.2	1510	1593	1595
Sitka	4191	4384	4345	308	287	243	7.3	6.5	5.6	3883	4097	4102
Skagway	1690	1767	1782	126	117	130	7.5	6.6	7.3	1564	1650	1652
Wrangell-Petersburg	3135	3268	3195	331	309	232	10.6	9.5	7.3	2804	2959	2963
Southwest Region	10225	10768	10370	724	756	904	7.1	7.0	8.7	9501	10012	9466
Aleutian Islands	2327	2450	2353	88	90	122	3.8	3.7	5.2	2239	2360	2231
Bethel	3449	3635	3504	346	365	412	10.0	10.0	11.8	3103	3270	3092
Bristol Bay Borough	394	416	406	10	11	24	2.5	2.6	5.9	384	405	382
Bristol Bay	1329	1398	1357	49	50	82	3.7	3.6	6.0	1280	1348	1275
Kuskokwim	1019	1073	1028	91	95	104	8.9	8.9	10.1	928	978	924
Wade Hampton	1707	1796	1722	140	145	160	8.2	8.1	9.3	1567	1651	1562
Gulf Coast Region	22162	23919	22250	2026	1889	2206	9.1	7.9	9.9	20136	22030	20044
Cordova	1157	1256	1208	60	56	116	5.2	4.5	9.6	1097	1200	1092
Kenai	11452	12322	11465	1274	1187	1334	11.1	9.6	11.6	10178	11135	10131
Kodiak	4639	5035	4786	252	235	419	5.4	4.7	8.8	4387	4800	4367
Seward	1556	1678	1465	152	142	68	9.8	8.5	4.6	1404	1536	1397
Valdez	3358	3628	3326	288	269	269	8.6	7.4	8.1	3070	3359	3057
Interior Region	26564	26546	26412	2567	2915	2482	9.7	11.0	9.4	23997	23631	23930
Fairbanks	21586	21562	21390	2041	2315	1899	9.5	10.7	8.9	19545	19247	19491
Southeast Fairbanks	2198	2195	2192	207	235	207	9.4	10.7	9.4	1991	1960	1985
Upper Yukon	625	629	662	82	94	121	13.1	14.9	18.3	543	535	541
Yukon-Koyukuk	2155	2160	2168	237	271	255	11.0	12.5	11.8	1918	1889	1913

[P] Preliminary [R] Revised 1980 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

HOURS AND EARNINGS

By Su Nelson

After last months impressive changes, average hourly earnings and average weekly hours in August seem to have exhibited little change.

The most significant change occurred in the contract construction industry. Average weekly hours for this industry increased by 4%, and average hourly earnings by 6%. These changes were due to an industry-wide increase in building activity and the union wage increase effective July 1, 1981. The net result of these two factors was a 10% increase in average weekly earnings.

Food processing reflected reductions of 5% in average hourly earnings and 6% in average weekly earnings. This is due to processing being more stable than the previous month, with less overtime pay issued. The small drop in average weekly hours also contributed to the overall drop in average weekly earnings.

The transportation, communication, and utilities industry exhibited an increase of 4% in average weekly hours. This was mostly due to higher employment in telecommunications, whose employees traditionally work long hours. Another factor was higher average weekly hours in the trucking and warehousing industry.

The finance, insurance, and real estate industry showed an increase in average weekly earnings, due to higher average weekly hours.

ALASKA HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 8/81	r/ 7/81	8/80	p/ 8/81	r/ 7/81	8/80	p/ 8/81	r/ 7/81	8/80
MINING	19.06	19.05	18.31	49.9	51.9	50.9	951.09	988.70	931.98
CONTRACT CONST	21.65	20.43	21.13	50.1	48.1	45.4	1084.67	982.68	959.30
MANUFACTURING	10.22	10.42	9.09	47.6	48.0	51.2	486.47	500.16	465.41
Food & Kindred Prod	8.37	8.85	7.22	51.0	51.3	57.1	426.87	454.01	412.26
Lumber & Paper Prod	14.23	14.18	14.29	41.3	40.7	41.1	587.70	577.13	587.32
TRANS., COMM. & UTIL	14.06	14.14	12.73	41.6	40.0	38.5	584.90	565.60	490.11
TRADE	9.46	9.47	8.98	35.9	35.1	35.0	339.61	332.40	314.30
Wholesale Trade	11.38	11.50	10.79	39.4	37.6	39.2	448.37	432.40	422.97
Retail Trade	8.66	8.66	8.24	34.7	34.2	33.5	300.50	296.17	276.04
FINANCE, INS. & R.E.	--	--	--	--	--	--	330.76	312.64	283.21

[1] Prepared in cooperation with the Bureau of Labor Statistics U.S. Department of Labor

[2] Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

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JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC TRENDS

[illegible] Booming—12

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ALASKA ECONOMIC TRENDS

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ALASKA EXPORTS TO JAPAN

Part One

By Brit Harvey

Alaska's economy is strongly influenced by trade with Japan. The volume of Alaska's exports to Japan effects the state's economic growth and resulting employment. This article reviews Japan's recent economic conditions, considers the outlook for the Japanese economy, and discusses the influence of the dollar-yen exchange rate on Alaska exports. A second part analyzing the impact of the Japanese market on specific Alaska industries will appear next month.

THE JAPANESE ECONOMY - 1946 TO PRESENT

The end of World War II left Japan in complete economic collapse. A U.S. military admininstration managed Japan's economy following the war. In the decade from 1946 to 1956 the government budget was balanced, inflation was controlled, the yen held steady, and military expenditures were nonexistent. Labor-intensive light manufacturing predominated.

From 1956 to 1973 Japan experienced a second stage of development, popularly referred to as its "economic miracle." Annual real GNP growth averaged 10.2%.1/ Production shifted to capital-intensive, heavy manufacturing, particularly steel, autos and shipbuilding. The pattern was firmly established of close industry-government cooperation, efficient manufacture of products invented outside Japan, protection of domestic markets for developing industries, and export-led growth. Consumption was postponed resulting in high savings rates. This sacrifice, while limiting domestic demand, provided domestic capital. This allowed Japan to remain free from domination by foreign capital. Military and foreign aid expenditures were almost nonexistent.

Japan's current economic era began in 1973 when world oil prices quadrupled. With no domestic energy resources, Japan was exceptionally vulnerable to economic disruption. After 18 years of steady growth, Japan's GNP declined 0.3% in fiscal year 1974.2/ (Japanese fiscal years run from April to March. For example, fiscal year 1980 ended in March 1981). Inflation, which had never exceeded single digits since the war, ran at 24.3% in FY 1974.3/ Exacerbating this disruption was the concurrent emergence of pollution as a serious national problem. Pollution control required major capital investments throughout the 1970's, diminishing the capital available for other uses.

The response to oil price increases was a shift of production toward more energy productive, higher technology products such as computers, consumer electronics and semiconductors. This process continues, with Japan nearing world technological superiority in such advanced areas as medical diagnostic equipment and semiconductors. Steel typifies the energy-intensive, heavy industries which receeded in importance. Japanese steel production peaked in 1973.4/

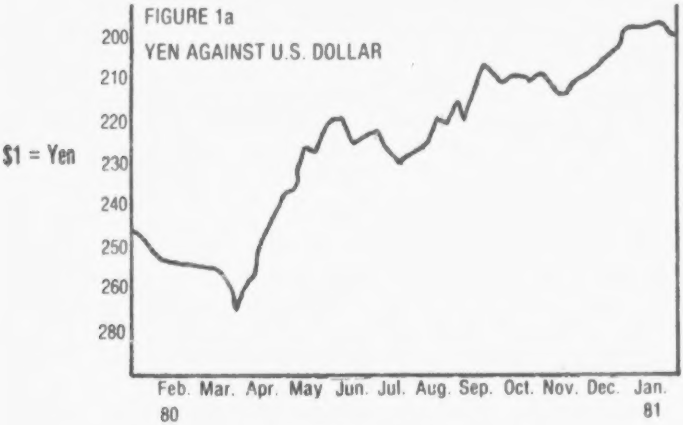


FIGURE 1a

YEN AGAINST U.S. DOLLAR

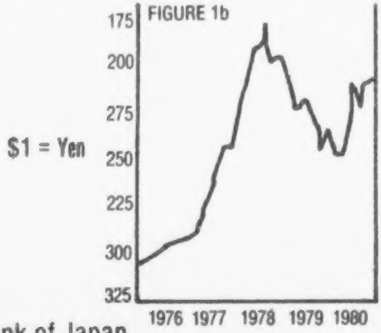


FIGURE 1b

Source: Bank of Japan

While the 1973 oil price increase severly disrupted Japan's economy, the impact was temporary. By 1976 Japan had adjusted to more expensive oil, with GNP growth of 6.0% and 9.3% inflation.5/ Although average annual GNP growth from 1973-77 was only about one-third that of 1955-73,6/ Japan's adjustment to the 1973 OPEC price shock was more rapid and complete than any other developed nation.

This process of disruption and adjustment was repeated in 1979 when oil prices tripled. Economic disruption was not as severe and adjustment was quicker the second time around, as the Japanese learned from experience. Massive, comprehensive energy conservation measures, which resulted in a 10% decrease in energy consumption in FY 1980,7/ have limited the impacts of costly oil imports.

ECONOMIC OUTLOOK

Economic forecasting is a difficult business, and Japan's economy has recently proven to be as inscrutable as any other. The "experts" largely concurred early this year that Japan's current account balance would continue in deficit and the yen would remain weak. In February, 1981, Business Week predicted a $10 billion annual deficit in Japan's current accounts for "the forseeable future."8/ The forseeable future proved to be extraordinarily short, as a surge of exports brought Japan's current account balance into surplus during the summer. Despite forecasts, some general comments can be made about Japan's probable economic outlook.

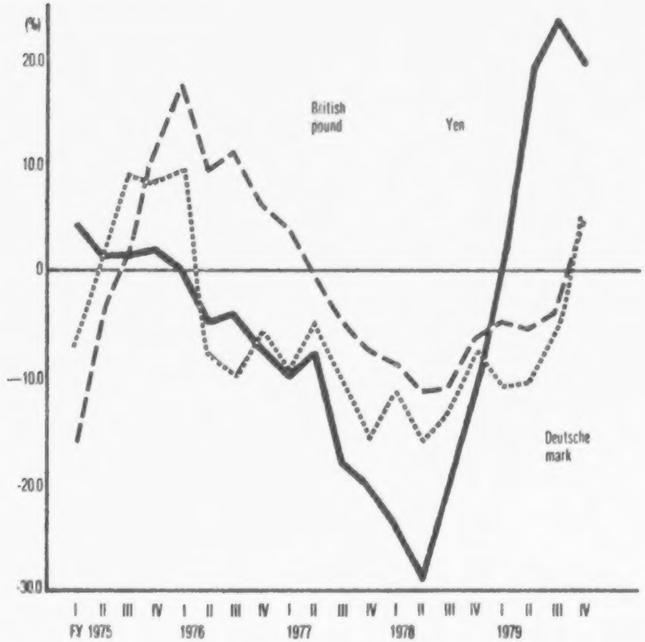
Japanese demand for Alaska imports is primarily a function of the exchange rate of the yen and personal income. A strong yen and real personal income growth result in increased demand for Alaska products.

The yen is the most volatile of major currencies (see Figure 2). Yen-dollar exchange rate volatility results in inconsistent demand for foreign goods. During the 70's, the exchange rate of the yen was closely correlated with Japan's current account balance. (The current account balance is in deficit when yen are leaving Japan and is in surplus when foreign currencies are entering Japan. It is closely related to the trade balance). When the current account balance has been in surplus, the yen has usually risen. A falling yen has occurred during periods of current account deficit

Current predictions auger well for Japanese demand for Alaska imports in the coming year. Domestic demand increase, which is closely related to personal income, is predicted to accelerate from an estimated 2.5% in 1981 to 3.25% in 1982. This compares to 0.9% in 1980. Annual real GNP growth of 5% is anticipated in 1982, compared to 4.2% in 1980. Inflation of 4.7% and 2.5% unemployment are also forecast for 1982.*9/*

FIGURE 2 Margins of Exchange Rate Fluctuations

(Compared with a year earlier)



The yen should increase against the dollar in the coming year, resulting in Alaskan products becoming relatively less expensive in Japanese markets. If historical relationships continue, the projected current account surplus for 1982 of $16.5 billion will push the yen upward against the dollar despite high U.S. interest rates. According to Citibank's Vembar Ranganathan, "the yen has everything going for it."*10/* Major

New York brokerage houses are counseling clients to buy yen-dominated securities in anticipation of a strengthening yen.*11/*

While the short-term Japanese economic outlook is the envy of the developed nations, many Japanese observers do not take a sanguine view of the long-term outlook for the 80's. Japan's current surge of economic growth is more than 80% export-based.*12/* With virtually no natural resources and a limited domestic market, Japan must necessarily continue to rely on export-led growth. A crucial issue will be the extent to which other nations, particularly in North America and Europe tolerate Japanese imports. Toyota and Nissan were hurt by the recent agreement to limit Japanese auto imports to the U.S. Japanese penetration of the European auto market increased dramatically in the year, and European nations may attempt to follow the U.S. example.

Another crucial long-term issue is energy. The Japanese are committed to diversifying their energy sources, but even the most optimistic planning goals still show Japan to be 45.3% dependent on foreign oil in 1990.*13* Clearly Japan will remain vulnerable to price increases and supply disruptions.

Several ironies result from Japan's energy dependence. While the 1979 tripling of oil prices enriched oil corporations and the State of Alaska, it hurt Japan's economy, thereby decreasing demand for Alaska products such as logs and salmon. The export of Alaska oil to Japan, currently being discussed at the international level, would provide Japan with a secure source for a portion of its oil imports, helping to insure demand for other Alaska products which Japan imports.

Next month there will be an article examining Japanese demand for specific Alaska products, including forest products, seafood and coal.

Sources

1/ "Business America," March 1981, p. 24.

2, 3/ "Business America," March 1981, p. 25.

4/ "Business Week," April 20, 1981, p. 85.

5/ *Economic Interaction in the Pacific Basin; Krause, Lawrence B. and Sekiguch Sueo, p. 15, p. 20.*

6, 7/ *"Business America," March 1981, p. 25.*

8/ *"BusinessWeek," Feb. 2, 1981, p. 37.*

9/ *"Wall Street Journal," Aug. 5, 1981, Sec. 2, p. 27.*

10, 11/ *"BusinessWeek," Aug. 24, 1981, p. 96.*

12/ *"BusinessWeek," June 22, 1981, p. 48.*

13/ *"The Petroleum Situation," The Chase Manhattan Bank, April 1981, p.3.*

ALASKA LABOR FORCE IN OCTOBER

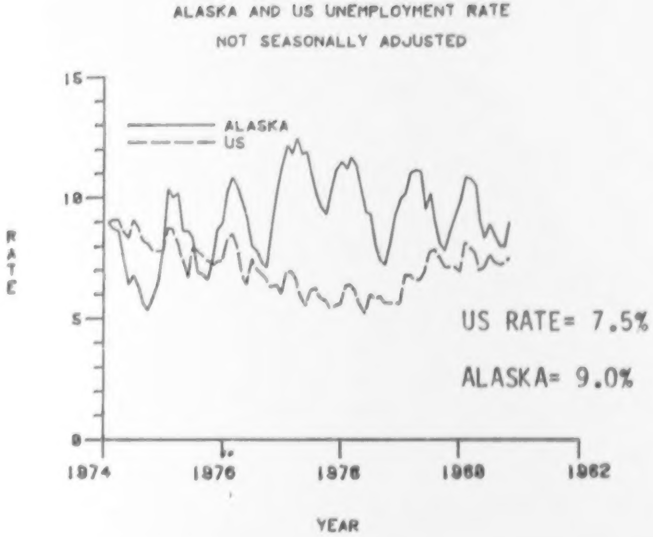
By Brit Harvey

Nonagricultural wage and salary employment declined by 4,700 jobs in October, or 2.4%. This decrease was smaller than usual for October. However, the seasonal decline in employment began earlier than in most previous years, and so the seasonal employment downturn is occurring at about the usual rate. October employment was 4.6% above last year, reflecting expansion in the Alaska economy.

Overall, employment data largely followed expected trends. An exception was construction employment. Normally construction employment declines sharply in October. This year the decline was only 4.4%, indicating a prolonged construction season, and resulting in a feverish 25% increase over last year.

The extension of the construction season was most pronounced in Anchorage. Anchorage, with 45% of Alaska's population, had 57% of the construction employment, up from 51% last year. Although reporting methods probably result in some bush construction employment being reported in Anchorage, it is clear that the 1982 construction boom is focused in Anchorage.

Paradoxically, the high interest rates which are depressing the construction industry nationally are a prime cause of the unseasonally high Alaska construction employment. Developers of several large commercial projects in Anchorage financed construction with 20% or more interim loans. While cold-weather construction is 10-20% more expensive than construction during the usual season, the added expense is apparently preferable to the expense of shutting down for the winter. Such delays are prohibitively expensive for developers with high-priced construction loans. With construction loans typically set at prime plus 1% or more, the current construction strategy appears to be: build it fast or don't build it at all.



With several major developers planning to continue project construction through winter, the year-to-year increase in construction employment is likely to exceed even the giddy October level of 25% in coming months. The 1981 construction boom was a little late in arriving, but it appears it will be long-lasting.

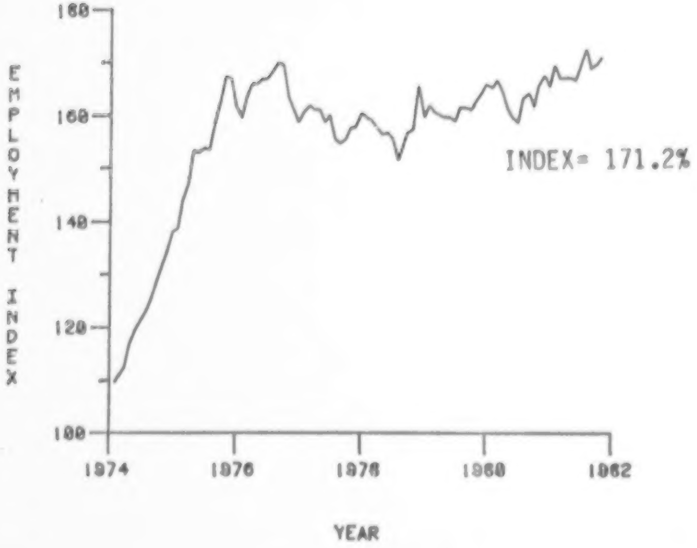
Oil and gas employment was steady for a second month with 6,700 jobs. Major producers have announced ambitious arctic drilling plans which promise to result in expanding employment in coming months.

Non-petroleum mining experienced a seasonal decline of about 200 jobs, but remained 17% above last year.

Seafood processing employment dropped 29.2% for the month. Layoffs in late September associated with a miserable Bering Sea/Bristol Bay king crab harvest contributed to the decline.

Lumber and pulp employment sunk further, registering a 200

ALASKA NONAG EMPLOYMENT INDEX



job decrease. Native corporation harvesting operations helped prevent an even steeper decline.

Government employment increased 1.6% for the month, due entirely to state and local educational employment expansion. Seasonal layoffs resulted in a 1,000 job decrease in non-educational government employment. Non-educational government employment has not increased from a year ago, despite overall economic expansion. Total government employment is 2.2% above last year due to educational employment hiring.

Transportation, communication and utilities employment grew substantially during the summer. This industry declined in October by 5.5%, though still remaining almost 8% above last year. The transportation portion of this industry behaves most seasonally and accounted for the entire October decrease. The decreased transportation employment was shared fairly equally among the land, air and marine sectors.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	10/81[p]	9/81[r]	10/80	9/81	10/80
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Manufacturing	10600	12900	13500	-2300	-2900
Food & Kindred Prod.	5000	6900	7200	-1900	-2200
Lumber & Paper Prod.	2500	2700	3300	-200	-800
All Other Mfg.	3100	3300	3000	-200	100
Trans. Comm. & Util.	18300	19400	17000	-1100	1300
Trucking & Whseing.	1900	2200	1800	-300	100
Water Transportation	1400	1800	1200	-400	200
Air Transportation	5800	6000	5400	-200	-400
Other Transportation Comm. & Utilities	9200	9400	8600	-200	600
Trade	31800	32300	29800	-500	2000
Wholesale Trade	6000	6200	5400	-200	600
Retail Trade	25800	26100	24400	-300	1400
Gen. Merchandise & Apparel	4400	4300	4200	100	200
Food Stores	4400	4500	4000	-100	400
Eating & Drinking Places	8700	9100	8300	-400	400
Other Retail Trade	8300	8200	7900	100	400
Finance-Ins. & R. Estate	8700	8700	8200	0	500
Services & Misc.	32000	32700	30200	-700	1800
Government	57600	56700	56300	900	1300
Federal Government	17500	17500	18000	0	-500
State Government	16500	16700	16200	-200	300
Local Government	23600	22500	22100	1100	1500

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[p] Denotes preliminary estimates.

[r] Denotes revised estimates.

The remaining non-basic industries (finance, insurance and real estate, trade, and services) lost between 0.7% and 2.2% in employment, following the general trend of the economy. The decline in services was primarily attributable to hotel and motel layoffs. In trade, eating and drinking establishments employed 350 fewer people than in September.

In general, the Alaska economy is contracting at a rate comparable to past years. The boom in construction is countering slower than normal years in forest products and fish processing.

It is frequently asserted that the solution to Alaska's problem of high unemployment is more jobs. If the past year's data can be generalized, economic expansion may exacerbate unemployment rather than ameliorate it. While the October 1980 to October 1981 employment growth was 4.6%, the number of unemployed increased almost 8% during the same period. The October statewide unemployment rate of 9.0% was 0.4 percentage points above last year. It appears that at least during periods of national economic difficulty, the number of people seeking work in Alaska is capable of expanding even faster than job growth. While economic expansion clearly increases Alaska's population, it does not decrease the unemployment rate, if the past year is typical.

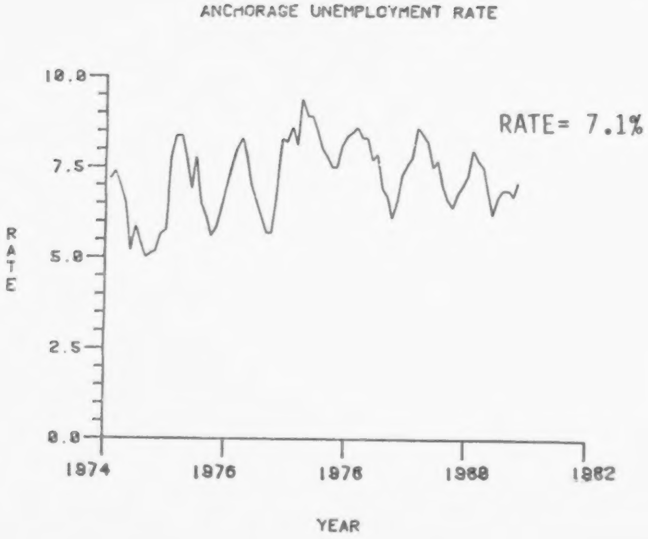
THE ANCHORAGE-MATSU LABOR FORCE FOR OCTOBER

By Greg Huff

October's labor force statistics for the Anchorage-MatSu labor market area reflected the anticipated seasonal downturn; employment levels declined, the unemployment ranks increased and labor force participation declined. Declines in the labor force are very common at this time of year, college students have returned to school, some labor force participants become discouraged because of the lack of work opportunities and drop out of the labor force until next season and some of the workers from the Lower 48 return home. For the workers remaining in the labor force, 7.5% (or 6428) people were out of work, up from September's rate of 7.0%.

Looking strictly at Anchorage's labor force statistics, Anchorage had among the lowest unemployment rates of any major labor market area, registering at 7.1%, up from 6.7% last month and up above last years rate of 6.8%. The unemployment rate statewide also registered above last years mark; further evidence suggesting that strong economic activity and significant employment gains do not necessarily mean reduced unemployment rates. Many of the gains in employment can be, and have been negated by a faster growing labor force. In other words, the amount of job seekers can grow faster than the amount of jobs—leaving the difference unemployed.

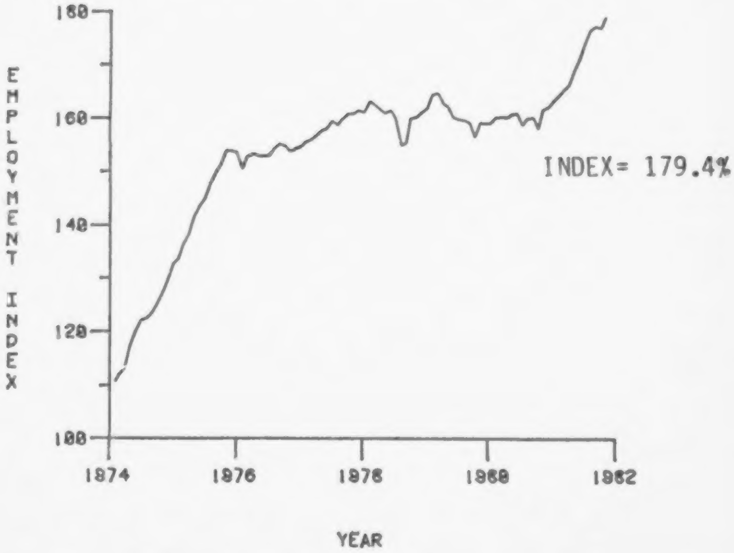
Anchorage has experienced this phenomenon throughout this past summer and with the current downturn of the economy in the Lower 48 many more people may come north in search of job opportunities. Particularly affected are construction workers. With the general building slump in the Lower 48 and building boom in Alaska many construction workers, whom are generally mobile, will be attracted to Anchorage and Alaska for work only to find not enough jobs to go around. Construction workers in Anchorage represent over 20% of the total number of insured unemployed. Construction represents the largest percentage share of jobless to job holders of any other industry group.



On the better side of the news, nonagricultural employment has remained significantly above last year levels. During the peak of summer (June through August) employment levels were 7.1% greater than the same period in the previous year. As the year comes nearer to an end, a clearer picture of where nonagricultural employment (annual average) levels will settle for 1981 becomes more perceptible. Estimates at the beginning of the year were expecting a 4% to 5% growth over last year; as the year progressed it became apparent that a range of 5% to 6% was more likely. With two months to go to year end, a growth rate nearer to the high end of the range, between 5.6% to 6.0% above last year levels becomes more likely—hefty growth, which compares to pipeline era growth.

Shifting to the month-to-month employment picture; the seasonally adjusted nonagricultural employment index increased over September's index, registering a 179.4 mark. This was in despite of a decline of 700 jobs in nonagricultural employment. This can be interpreted that the seasonal downturn masks the underlying improvement in employment and a generally strong economy despite normal seasonal trends.

A look at the movement of individual industries shows that



ANCHORAGE NONAG EMPLOYMENT INDEX

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mining employment netted an increase of 38 jobs. The increase was composed of an increase in oil and gas extraction jobs and a decrease in other mining (mineral and non-mineral except fuels) jobs.

Oil and gas extraction employment gains came primarily from crude petroleum and oil field service firms with small increases in drilling and exploration firms. October is the transition month for the drilling and exploration firms. During this month, these firms begin to gear up for their peak season and begin to hire crews, but employment gains are small. Oil field service and crude petroleum firms in October increased their employment, but will probably see some declines in the months ahead. Drilling employment is expected to rise above last years levels with more rigs working up north. In addition to more rigs, the rigs will be working longer through the season. Exploration employment will remain around last years levels.

Mineral mining employment followed seasonal trends, but will remain above last years levels. Nearly 80 workers remain on

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	10/81	9/81	10/80	10/81	9/81	10/80	10/81	9/81	10/80	10/81	9/81	10/80
Alaska Statewide	197549	199293	191270	17694	15847	16417	9.0	8.0	8.6	179855	183446	174853
Anch.-MatSu Region.....	100276	100497	92896	7569	7081	6844	7.5	7.0	7.4	92707	93416	86052
Anchorage.............	90236	90296	83424	6428	6047	5632	7.1	6.7	6.8	83808	84449	77792
Matanuska-Susitna....	10040	10001	9472	1141	1034	1212	11.4	10.3	12.8	8899	8967	8260
Gulf Coast Region	22187	22320	22081	2371	2030	2277	10.7	9.1	10.3	19816	20290	19804
Cordova	1187	1178	1199	108	73	120	9.1	6.2	10.0	1079	1105	1079
Kenai	11390	11378	11315	1374	1122	1305	12.1	9.9	11.5	10016	10256	10010
Kodiak	4685	4814	4621	368	394	306	7.9	8.2	6.6	4317	4420	4315
Seward	1645	1608	1604	263	193	223	16.0	12.0	13.9	1382	1415	1381
Valdez	3280	3342	3342	258	248	323	7.9	7.4	9.7	3022	3094	3019
Interior Region...........	26510	26491	25993	3067	2568	2698	11.6	9.7	10.4	23443	23923	23295
Fairbanks.............	21577	21553	21024	2483	2068	2050	11.5	9.6	9.8	19094	19485	18974
Southeast Fairbanks...	2186	2189	2155	241	204	223	11.0	9.3	10.3	1945	1985	1932
Upper Yukon	603	604	650	73	63	123	12.1	10.4	18.9	530	541	527
Yukon-Koyukuk........	2144	2145	2164	270	233	302	12.6	10.9	14.0	1874	1912	1862

Northern Region	8599	8918	8234	609	578	627	7.1	6.5	7.6	7990	8340	7607
Barrow-North Slope ...	2546	2635	2349	193	179	109	7.6	6.8	4.6	2353	2456	2240
Kobuk	2498	2571	2437	194	166	244	7.8	6.5	10.0	2304	2405	2193
Nome	3555	3712	3448	222	233	274	6.2	6.3	7.9	3333	3479	3174
Southeast Region	30039	30711	30209	3281	2863	2979	10.9	9.3	9.9	26758	27848	27230
Angoon	471	471	485	54	37	60	11.5	7.9	12.4	417	434	425
Haines	1090	1114	1132	99	83	123	9.1	7.5	10.9	991	1031	1009
Juneau	10386	10674	10511	841	739	797	8.1	6.9	7.6	9545	9935	9714
Ketchikan	6304	6645	6307	827	945	734	13.1	14.2	11.6	5477	5700	5573
Outer Ketchikan	1154	1084	1100	267	161	198	23.1	14.9	18.0	887	923	902
Prince of Wales	1647	1694	1668	187	174	182	11.4	10.3	10.9	1460	1520	1486
Sitka	4128	4210	4150	372	302	328	9.0	7.2	7.9	3756	3908	3822
Skagway	1707	1674	1717	194	100	178	11.4	6.0	10.4	1513	1574	1539
Wrangell-Petersburg	3152	3145	3139	440	322	379	14.0	10.2	12.1	2712	2823	2760
Southwest Region	9938	10356	11857	797	727	992	8.0	7.0	8.4	9141	9629	10865
Aleutian Islands	2245	2360	2706	91	91	145	4.1	3.9	5.4	2154	2269	2561
Bethel	3375	3491	3978	390	346	429	11.6	9.9	10.8	2985	3145	3549
Bristol Bay Borough ...	406	411	466	37	22	27	9.1	5.4	5.8	369	389	439
Bristol Bay	1314	1362	1571	83	65	108	6.3	4.8	6.9	1231	1297	1463
Kuskokwim	985	1017	1179	92	77	118	9.3	7.6	10.0	893	940	1061
Wade Hampton	1613	1715	1957	104	126	165	6.4	7.3	8.4	1509	1589	1792

^{P}Preliminary ^{R}Revised 1980 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

the job at the Independence mine project north of Palmer and will remain on the job throughout the winter.

Construction employment experienced its first decline since climbing to its summer peak, and as normal, employment will continue to decrease through the winter, but will remain stronger than usual because of the number and magnitude of projects which will be worked on through winter. Contractors state that they will not shut down for the winter because of high interest rates. The high interest rates make it too expensive to shut down despite higher costs of building during the winter months. The contractor for the Frontier building expects crew size to increase through the winter and to reach levels of somewhere around 200 next summer. Currently 86 workers are at the site (excluding subcontractors and suppliers). The ARCO building will continue to be constructed through the winter. The foundation has been laid and a structural steel firm from Seattle will be constructing the steel frame this winter which is expected to be completed next summer.

Manufacturing, transportation, communication and utilities also experienced declines in employment from last month's levels. The majority of the decline in manufacturing was a result of the continued, seasonal slide in fish processing employment. Peak employment exceeded 800 jobs and in October settled to 35 jobs.

Declines in transportation, communication and utilities were primarily a result of cutbacks in trucking, warehouse and air transportation employment, which are normal this time of year.

The employment picture in the two largest non basic industries, trade and services (representing 41% of total nonagricultural employment) remained relatively stable, which was a major reason that the nonagricultural employment index increased despite declines in total employment. Declines were seen, however, and a major component influencing a decline in retail trade were cutbacks in eating and drinking places employment. Declines in Anchorage hotel/motel employment were offset by other firms in the services industry. However, in the MatSu labor market area other services employment increases could not offset declines in hotel/motel employment. Thus, services employment dropped by 50 jobs.

Government employment in Anchorage saw an increase of

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ANCHORAGE

				CHANGES FROM:	
	10/81[P]	9/81[R]	10/80	9/81	10/80
Nonag. Wage & Salary	88600	89100	80850	-500	7750
Mining	3200	3150	2400	50	800
Construction	8800	8950	6350	-150	2450
Manufacturing	2000	2250	1800	-250	200
Food & Kindred Prod.	300	500	250	-200	50
Other Mfg.	1700	1750	1550	-50	150
Trans. Comm. & Util.	8700	8950	8050	-250	650
Trucking & Whseing	1150	1250	950	-100	200
Water Transportation	450	500	300	-50	150
Air Transportation	3150	3250	3250	-100	-100
Other Transportation Comm. & Utilities	3950	3950	3550	0	400
Trade	18550	18650	16950	-100	1600
Wholesale Trade	4450	4400	4000	50	450
Retail Trade	14100	14250	12950	-150	1150
Gen. Merchandise	1950	1950	1850	0	100
Food Stores	2050	2100	1800	-50	250
Eating & Drinking Places	4800	4950	4500	-150	300
Other Retail Trade	5300	5250	4800	50	500
Finance-Ins. & R. Estate	5950	6000	5400	-50	550
Services & Misc.	18100	18100	17200	0	900
Government	23300	23050	22700	250	600
Federal	9750	9800	9700	-50	50
State	5650	5450	5350	200	300
Local	7900	7800	7650	100	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denutes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

				CHANGES FROM:	
	10/81[P]	9/81[R]	10/80	9/81	10/80
Nonag. Wage & Salary	91950	92650	84200	-700	7750
Mining	3300	3250	2450	50	850
Construction	9150	9300	6650	-150	2500
Manufacturing	2100	2350	1850	-250	250
Trans. Comm. & Util.	9150	9350	8450	-200	700
Trade	19350	19400	17750	-50	1600
Finance-Ins. & R. Estate	6050	6050	5500	0	550
Services & Misc.	18550	18600	17550	-50	1000
Government	24300	24350	24000	-50	300

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

250 jobs, as a result of increased education employment, which more than offset dips in non-educational government employment. In the MatSu Borough, however, local education did not experience as hefty an increase as Anchorage, therefore not boosting education employment enough to offset other declines in non-educational employment. Next month, however, MatSu school district plans to hire more teachers because of expanded enrollment.

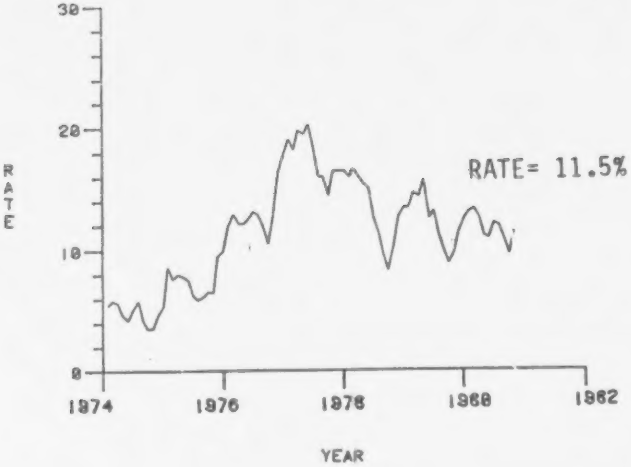
FAIRBANKS/INTERIOR LABOR FORCE IN OCTOBER

By Neal Fried

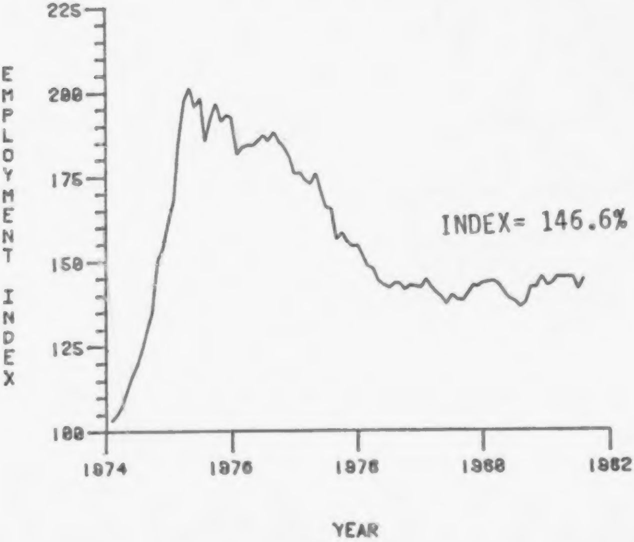
Employment indicators in October illustrate the anticipated winter seasonal decline which falls upon Fairbanks and the Interior each year. The unemployment rate for Fairbanks in October climbed to 11.5%—almost 2 points above September. Employment in all but two of Fairbanks' industries declined, adding to the number of unemployed. Over-the-year comparisons continue to point toward a higher rate this year, despite overall growth in employment. The labor force is growing faster than new jobs, pushing up the unemployment rate. Though no recession is anticipated in Alaska, much of the remainder of the country is in its grips. This means that many individuals who have been laid off from their jobs in the Lower 48 are now looking to Alaska for job opportunities. Most of Alaska's major communities, including Fairbanks, have been experiencing a larger influx of outside jobseekers than what has normally been the case in past years. Because the state's economy is extremely small, a sizeable influx of jobseekers can cause the labor force statistics to move significantly. This could mean that, despite the fact that the Fairbanks economy is improving, the jobseekers may not have it any easier finding work.

When we move away from labor force statistics and on to wage and salary statistics, the employment picture changes somewhat. Each month 3 columns of wage and salary data are printed in this article, with month and year-ago changes. Though these columns reflect only a limited amount of data, they can reveal a great deal about an area's economy. In quickly perusing the data in the first two columns of Fairbanks, it becomes apparent that this community has an economy subject to month-to-month seasonal changes. Moving on to the third column and comparing it with the first, it appears that employment in Fairbanks has experienced growth over the past year. Then, when the numbers are inspected in greater detail, the source of this employment growth becomes more

FAIRBANKS UNEMPLOYMENT RATE



FAIRBANKS NONAG EMPLOYMENT INDEX



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	10/81[P]	9/81[R]	10/80	9/81	10/80
Nonag. Wage & Salary	22600	23150	22200	-550	400
Mining	50	50	50	0	0
Construction	2350	2400	2000	-50	350
Manufacturing	500	550	800	-50	-300
Trans. Comm. & Util.	2700	2850	2650	-150	50
Trucking & Whseing	400	450	350	-50	50
Air Transportation	650	700	700	-50	-50
Other Trans. Comm. & Utilities	1650	1700	1600	-50	50
Trade	4000	4150	4000	-150	0
Wholesale Trade	650	700	700	-50	-50
Retail Trade	3350	3450	3300	-100	50
Gen. Merchandise & Apparel	400	400	400	0	0
Food Stores	550	550	550	0	0
Other Retail Trade	2400	2500	2350	-100	50
Finance-Ins. & R. Estate	750	750	750	0	0
Services & Misc.	4000	4300	3850	-300	150
Government	8250	8100	8100	150	150
Federal	2400	2400	2350	0	50
State	3550	3400	3550	150	0
Local	2300	2300	2200	0	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK INTERIOR

	10/81 P/	9/81 R/	10/80	CHANGES FROM: 9/81	CHANGES FROM: 10/80
Nonag. Wage & Salary	26400	26950	25850	-550	600
Mining	250	250	200	0	50
Construction	2500	2550	2200	-50	300
Manufacturing	700	700	850	0	-150
Trans. Comm. & Util.	3500	3750	3450	-250	50
Trade	4450	4500	4300	-50	150
Finance-Ins. & R. Estate	800	800	800	0	0
Services & Misc.	4400	4750	4200	-350	200
Government	9800	9650	9800	150	0

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

apparent. The wage and salary index also provides a quick measure of the well being of the Fairbanks economy. The index, (which is seasonally adjusted) moved upward in October, despite the fact that employment fell. This means that the decline was not as steep as it has been in most previous years. The index is also 4.5 points above the 1980 measure. Both of these facts might indicate an improving economy. The quick view of Fairbanks indicators can provide a valuable picture of the present economic picture of an area. To widen this view, and to acquire a better understanding of a particular economy, additional historical data and a larger variety of economic indicators should be consulted, especially before drawing any hard and fast conclusions.

GULF COAST LABOR FORCE FOR OCTOBER

By Neal Fried

With an unemployment rate of 10.7%, the Gulf Coast region has moved into the winter season. Employment fell and unemployment lines grew. With the exception of two, all industries lost employment in October. Government was the only industry which registered some growth, but this was because school staff members were still coming on board. The unemployment rate will continue to move upward during the next 5-6 months, possibly peaking at 15%. (In October, the Gulf Coast's rate rate was 1.7 points above the state's rate which is largely due to the extreme seasonal swings in the Gulf Coast's economy. These swings take place because of the nature of the region—with seasonal industries such as fishing, construction and tourism playing an important role in its economy).

Following Kenai, Kodiak is the second largest labor market in the region, (29% of the regions' wage and salary employment can be found in Kodiak). When referencing Kodiak here, the entire Borough is included. Unlike the other large labor markets in the region, Kodiak essentially depends on one basic industry in the private sector—fishing. Government also plays an important role in Kodiak's economy.

Kodiak is one of the few areas within the region which was little affected by the construction of the oil pipeline. Despite the lack of stimulus from the oil industry, wage and salary employment has grown rapidly in Kodiak. Over the past decade, employment grew by 82% or 6% annually. This compares with overall state growth of 57% or 4.6% annually. The growth of the fishing industry in Kodiak—one of the largest in the state—has been the main contributor.

Over the past decade, fish processing employment has more than doubled, growing 146%. This is because the overall catch levels over the decade have improved. In 1980 approximately 1614 processing workers (based on 9 months' data) were employed in Kodiak, representing 34% of the total wage and salary employment. Being an extremely seasonal industry, fish processing employment gyrates up and down. In 1980 it reached its peak at 2585 in August, and its low point of 1175 in January. Though the Department of Labor does not have an historical series on the number of fishermen and crews attached to the Kodiak fishery, it was estimated in 1979. The average number was 1035, reaching a peak of 2886 in July. If fish harvest and processing employment were combined, this means peak employment in the fishing industry reaches over the 5000 level and it averages approximately 3000.

The remaining industries in Kodiak have also grown, some more quickly than the fishing industry while others have lagged behind. Service industry employment has more than tripled over the decade, making it the fastest growing industry in Kodiak. This is not only a phenomenon of Kodiak, but has also occurred state and nationwide. Kodiak's rate of growth was more rapid and this was because prior to 1970 its economic base was small, and therefore not able to support a large service industry. But as the economy grew and became increasingly sophisticated more and wider varieties of services were demanded.

Not all industries have enjoyed such a rapid rate of growth. For example, construction employment, a small industry until recently in Kodiak, grew by approximately 22% over the decade. Its percentage share does fluctuate from year to year, but during the decade it was never responsible for more than 7% of total employment. Government has also grown less rapidly (39%) than employment in the remainder of the economy. This is largely because federal employment has fallen—federal employment declined when Kodiak lost its Navy personnel during the early 1970's. Local and state government employment did grow (61%), but not fast enough to push government growth up above overall growth. Despite government's slower pace, employment in this sector is responsible for 24% of Kodiak's wage and salary employment—making it second to the fish industry.

Kodiak's wage and salary employment is expected to continue to grow in the near future, with some possible interruptions because of the unpredictable fishing industry. New sources of economic stimulus are also being introduced into Kodiak's economy. Though it did not receive much stimulus from the construction of the oil pipeline, it is receiving a share of the increasing state revenues from oil. During the next 2-5 years (and possibly longer) these additional revenues, much of which are in the form of capital projects, will be providing economic stimulus.

There are a number of sizeable projects on the horizon and in some cases are already underway. Construction of the largest of these is expected to begin in the near future—the $88 million Terror Lake hydroelectric dam. Though no estimates have been made for manpower, it will become a source of employment for Kodiak residents for a number of years. During last year's legislative session, approximately $20 million was appropriated to Kodiak for a wide variety of projects, including road work, sewer lines, schools, harbor improvements, park expansion, library expansion, etc. Presently, work is being done on the new Dog Bay Harbor, which will eventually have the price tag of $8 million. The local harbor facilities are not presently able to accommodate the growing number of fishing boats and this should help alleviate this problem. The fishing industry will receive stimulus further with the development of Near Island, a small island just off of the present harbor. A bridge is expected to be built to connect the mainland to the island. Additional harbor improvements, the University of Alaska's newly planned Fisheries Technology Center and other facilities are expected to be developed on the island. The Fisheries Technology Center will be a new addition to Kodiak, which will perform research to improve Alaska's fisheries.

With these projects and continued good overall fish harvests, Kodiak's employment will continue to grow. For residents of Kodiak, this will mean improved job opportunities, but it should by no means be interpreted as an unlimited supply of jobs. Much of this work will continue to be seasonal and the growth which will occur will be gradual. In-migration of workers, which already occurs in Kodiak with each fishing season, may grow—causing increased competition for jobs. With much of the remaining part of the country in recession, more individuals will be turning to Alaska for employment. The unemployment rate will continue to fluctuate like the remainder of the region. In the past year, Kodiak's rate fluctuated between 5.9% and

14.1%—with an annual average rate of 9.7%. In the future, though employment is expected to grow, jobs will still be very scarce during much of the year, and, if the fishing season happens to be poor, jobs could be scarce for the entire year.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/ **10/81**	R/ **9/81**	**10/80**	**9/81**	**10/80**
Nonag. Wage & Salary	16750	17350	16500	-600	250
Mining	850	900	800	-50	50
Construction	1100	1150	1000	-50	100
Manufacturing	3550	3850	3650	-300	-100
Food & Kindred Prod.	2700	2900	2600	-200	100
All Other Mfg.	850	950	1050	-100	-200
Trans. Comm. & Util.	1650	1700	1600	-50	50
Trade	2400	2550	2300	-150	100
Wholesale Trade	350	400	300	-50	50
Retail Trade	2050	2150	2000	-100	50
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2450	2550	2450	-100	0
Government	4300	4200	4250	100	50
Federal	500	550	550	-50	-50
State	1350	1400	1400	-50	-50
Local	2450	2250	2300	200	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

SOUTHEAST ALASKA LABOR FORCE IN OCTOBER

By Debbie Berggren

Total Nonagricultural Wage and Salary employment decreased during October by 3.9% or approximately 1,100 jobs, but is still 2.8% above the year-ago level. The region's unemployment rate increased by 1.6 percentage points during the month to 10.9%. Outer Ketchikan's unemployment rate was 23.1%, the highest in the state. Ketchikan and Wrangell-Petersburg were also in the top five with unemployment rates of 13.1% and 14.0% respectively.

All industries, except government, experienced seasonal declines during the month. Manufacturing was the hardest hit, decreasing by 600 jobs. Most of this decrease was in the food and kindred products sector, dropping 500 jobs. This decrease was a normal seasonal decline due to the end of the fishing season. Lumber and Paper Products employment continued to decline, dropping 4.8% or 100 jobs. The Ketchikan Pulp Mill reopened on October 5th and is expected to operate at full capacity for the next couple of months. Due to methodology, our estimates did not reflect the temporary shutdown which affected approximately 400 workers. Our survey is for the pay period which includes the 12th of the month. Anyone who has received pay for any part of the pay period is considered to be employed. Because the Ketchikan Pulp Mill was in operation for at least some of the survey period we did not reflect the shutdown.

Both Construction and Transportation, Communication and Utilities had employment decreases of 200 jobs during October. Heavy construction was down approximately 100 jobs due to the completion of contracts and seasonal shutting down for winter. The decrease in Transportation, Communication and Utilities was distributed throughout the industry.

Mining, Services and Miscellaneous experienced a decline of about 250 jobs. Approximately 200 of these jobs were in the Hotel and Motels sector.

Government was the only industry which experienced an increase in employment during October. Most of this increase was in the education sector of local government which increased approximately 250 jobs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	10/81^{P}	9/81^{R}	10/80	9/81	10/80
Nonag. Wage & Salary	27100	28200	26350	-1100	750
Construction	1600	1800	1450	-200	150
Manufacturing	2850	3450	3300	-600	-450
Food & Kindred Prod.	650	1150	550	-500	100
Lumber & Paper Prod.	2000	2100	2500	-100	-500
All Other Mfg.	200	200	250	0	-50
Trans. Comm. & Util.	2600	2800	2550	-200	50
Trade	4050	4150	3750	-100	300
Wholesale Trade	400	450	350	-50	50
Retail Trade	3650	3700	3400	-50	250
Finance-Ins. & R. Estate	950	1050	1050	-100	-100
Services & Misc.	3750	4000	3350	-250	400
Government	11300	10950	10900	350	400
Federal	2200	2150	2550	50	-350
State	5050	5000	4700	50	350
Local	4050	3800	3650	250	400

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

^{P} Denotes preliminary estimates.

^{R} Denotes revised estimates.

HOURS AND EARNINGS FOR SEPTEMBER

By Su Nelson

The mining industry exhibited an increase of 13% in average hourly earnings, 4% in average weekly hours, and 18% in average weekly earnings. The changes were due to several small changes in the industry. There was slightly less hard rock mining in September and therefore some of the lower paid temporary summer workers were laid off. Also, oil and gas mining firms are hiring back and sending north a few of their highly paid people in preparation for the winter start-up.

Contract construction's average hourly earnings continued to rise as many hours of overtime and doubletime were paid in an effort to finish projects before winter. The 8% increase in weekly wages did not quite offset the 9% decrease in actual average weekly hours worked so that average weekly earnings for that industry did drop slightly (—2%).

With the decrease of food and kindred products workers by about 4,000, the composition of the manufacturing industry as a whole changed dramatically. This caused manufacturing to show a 26% decrease in average weekly hours. These combined to create a 14% drop in average weekly earnings. The drop in hours was primarily due to much of food processing either closing for the winter or until crab season. However, lumber and paper did show an 8% drop also. Both food processing and lumber and paper processing reflected the drops in hours with proportionate drops in average weekly earnings. All other industries showed little change, though all were consistent in that their average weekly hours and average weekly earnings decreased.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES [1] [2]

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 9/81	r/ 8/81	9/80	p/ 9/81	r/ 8/81	9/80	p/ 9/81	r/ 8/81	9/80
MINING	21.61	19.06	17.49	51.9	49.9	50.4	1121.56	951.09	881.50
CONTRACT CONST.	23.25	21.54	21.44	45.1	49.5	45.7	1048.58	1066.23	979.81
MANUFACTURING	11.99	10.27	10.86	34.8	47.0	40.0	417.25	482.69	434.40
Food & Kindred Prod.	8.60	8.33	7.70	30.7	50.0	36.0	264.02	416.50	277.20
Lumber & Paper Prod.	14.38	14.57	14.29	38.3	41.5	47.8	550.75	604.66	683.06
TRANS., COMM. & UTIL.	14.04	14.14	12.74	39.2	40.9	38.1	550.37	578.33	485.39
TRADE	9.52	9.50	9.07	34.1	35.9	34.2	324.63	341.05	310.19
Wholesale Trade	12.10	11.55	10.78	36.9	39.2	38.7	446.49	452.76	417.19
Retail Trade	8.48	8.65	8.37	33.1	34.6	32.6	280.69	299.29	272.86
FINANCE, INS. & R.E.	--	--	--	--	--	--	332.09	342.87	287.03

[1] Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

[2] Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

NOTE

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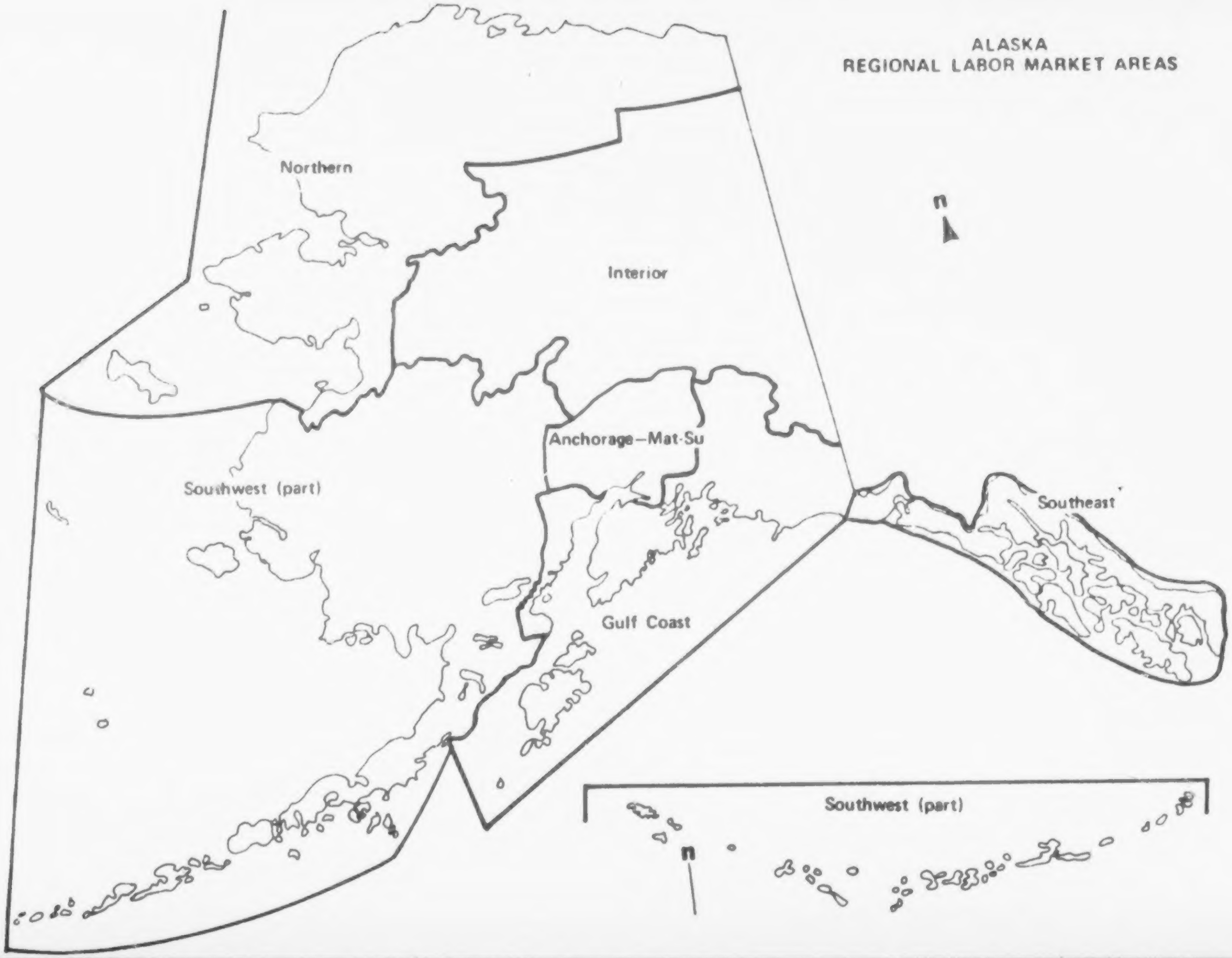
ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC TRENDS

1—Japanese Demand for Alaskan Logs and Cants likely to decline

JANUARY 1982



ALASKA
REGIONAL LABOR MARKET AREAS

Northern
Interior
Anchorage—Mat-Su
Southwest (part)
Southeast
Gulf Coast
Southwest (part)
n
n

ALASKA ECONOMIC TRENDS

Jay S. Hammond, Governor
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Edmund N. Orbeck, Commissioner
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ALASKA EXPORTS TO JAPAN

Part Two

By Brit Harvey

Exports to Japan are an important aspect of the Alaska economy. Alaska employment and economic growth are influenced by Japanese trade. In last month's issue there was an article discussing Japan's overall economy. This article focuses on specific Alaska industries which rely on Japanese markets.

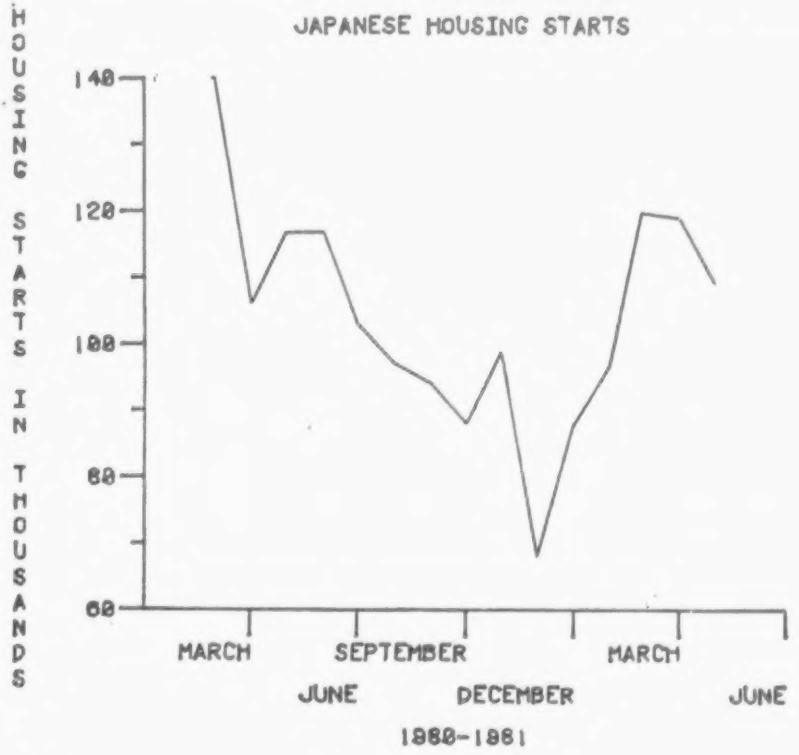
FOREST PRODUCTS

Of all Alaska industries, forest products is the most dependent on Japanese markets. The Alaska forest products industry is currently in recession due to lagging Japanese demand. // In the next decade overall Japanese demand is likely to gradually decline. This decline is likely to accelerate in the 1990's. The cyclical nature of Japanese construction activity will probably cause future episodes of curtailed production and employment similar to the current Alaska situation.

Logs and lumber are the largest U.S. export to Japan, with a value of $1.75 billion in 1979. The Alaska forest products industry has four major products; logs, cants, chips and pulp. Average employment in 1980 was 2,900, or 1.2% of total Alaska nonagricultural employment. The industry is primarily located in Southeast, where the average 1980 employment of 2,700 represented 9.6% of total employment.

Historically, Alaska commercial forests have been owned almost entirely by the federal government. Primary processing regulations prohibit the export of logs harvested on federal land in Alaska. Export of cants, which are squared-off logs, is allowed. Native corporations, which are exempt from primary processing laws, are now significant owners and harvesters of Alaska timber. The entry of native corporations into the industry ended the federal monopoly on timber and fundamentally altered the market. Both logs and cants are now exported to Japan whereas previously cants were dominant.

The industry is export-based. Almost 100% of all logs and cants produced in 1980 were exported.*2/* Over 95% of log and cant,*3/* 60% of pulp and 82% of chip production*4/* is exported to Japan. Although the market may diversify in the future to other Pacific rim nations, Japanese demand will continue its dominance. The outlook for Japanese demand is the crucial variable in predicting industry production and employment.



Houses account for 75% of Japanese lumber consumption.5/ Japanese housing starts are the most important economic indicator for the log and cant portion of the Alaska industry. Japanese housing starts are currently depressed (See Figure 1). The January 1981 total of 68,000 dwelling units was the lowest in 17 years.6/ While housing starts rebounded to 120,000 in April, large log inventories previously accumulated continued to depress the log market. The slump in the Alaska log and cant sector is directly attributable to the slowdown in Japanese housing construction.

The short-term outlook for Japanese housing starts is, "a crawl along the low-level mark for some time to come," according to the Industrial Bank of Japan.7/ Log and lumber inventories are still above normal. A predicted increase in Japanese personal income in 1982 may help increase demand for housing, and by extension demand for Alaska logs and cants.

The long-term demand for Alaska logs and cants is a complex issue. Japan's demographic profile is unusually mature. Future years will see a diminishing number of Japanese enter the period of peak household formation. Fewer new units will be required by an increasingly elderly population. The proportion of houses constructed primarily of wood is also expected to decline continuously through 2000.8/ Counteracting these trends will be an increase in average house size from the current 800 sq. ft.9/ Extremely expensive land will continue to limit house sizes, however. Overall housing starts are likely to remain steady in the 1980's, although perhaps at a lower level than the 1.6 million units annual average predicted in 1980 before the current slump. Housing starts in the 1990's are likely to decline gradually.

Given a stable or slowly contracting market, Alaskan producers will need to maintain or expand market share to continue exporting to Japan at current levels. The primary competitor for the Alaska share of the Japanese market will probably be Japanese domestic producers. Japanese forests were severly depleted during World War II. Replanting occurred after the war, and was particularly heavy in the 1960's, with large areas put into "plantation" production. Replanted forests are now reaching maturity.

The contribution of Japanese production to the Japanese market is crucial and difficult to predict. If Japanese production increases substantially, the Alaska industry will undoubtedly contract to some extent. While it is physically possible for Japan to expand production to the point of net exportation, it is likely that Japanese production will increase more gradually. High domestic production costs, extensive Alaska capital investment, and a aesthetic preference for old-growth wood will favor Alaska products in the Japanese market through the 1980's.

A 1980 U.S. Forest Service study/10/ predicted U.S. roundlog exports to Japan under two scenarios. The predictions under the scenario considered more likely by Juneau U.S.F.S. regional economist Jow Mehrkens are listed below./1/

Year	Japanese log production (Mill. *M3*)	U.S. log exports to Japan (Mill. *M3*)
1976 actual	20.9	10.4
1981-1985	22.5	11.0
1986-1990	25.3	9.7
1991-1995	29.0	8.1
1996-2000	33.6	5.3

Judging from the best information currently available, it seems likely that Japanese demand for Alaska logs and cants will decline gradually in the 1980's and more steeply in the 1990's. The cyclicity of the Japanese housing construction industry will continue to result in fluctuations in Alaska production and employment. Maturing Japanese domestic forests will sooner or later introduce added competition. Alaska producers will most likely need to develop alternative markets to avoid declining log and cant production and employment in the late 1980's or 1990's.

Japanese demand for pulp and wood chips is expected to increase through 1990 at a 3.5% annual rate./12/ Just under half of Alaska pulp production capacity is Japanese-owned. Production for the Japanese market is likely to be relatively stable in the 1980's. Cyclical fluctuations, such as the current diminished production, will continue to occur, although probably not to the extent of the log and cant sector. The Japanese market is less dominant in Alaska's pulp and chip sector than in logs and cants. It's effect on pulp and chip employment in the next decade will likely be stable.

Forest products employment will probably experience a gradual shift from sawmill employment to logging and log sorting employment. Japanese importers prefer roundlogs to cants. Primary processing laws have in the past made Alaska logs generally unavailable. As the native corporations expand production, logs will displace cants, given static demand. This will result in the employment shift, and possibly some overall decline. Native corporation preference for employing shareholders may also result in some change in the composition of forest products industry employees.

In summary, Japanese demand for Alaska forest products is likely to decline slightly in the 1980's. The potential exists for a more rapid decline in the 1980's should Alaska fail to hold a price advantage over Japanese domestic production. Pulp and chip related employment should maintain its historical level and experience less cyclical fluctuation than log and cant employment. Log and cant employment will experience the majority of whatever long-term changes or cyclical fluctuations occur, and will likely also see compositional shifts.

ENERGY

Japanese energy consumption is second only to the U.S. Japan imported 91.2% of its energy supply in 1979, if nuclear energy based on uranium imports are included.*13/* While Taiwan and Korea are important energy importers, the Japanese market is by far the largest of Pacific Rim nations.

The Japanese consider diversification of their energy sources a crucial goal in the 1980's. In 1980 Japan was 68.2% dependent on oil, and 73.2% of Japan's oil came from the Middle East.*14/* The Japanese are committed to diversifying both the type and source of energy imports in an attempt to enhance supply reliability and price stability. Alaska may be able to take advantage of the changes Japan is planning to make in its energy purchases.

In the short-term, oil is the only Alaska energy product which could be exported to Japan. Export of Alaska oil was prohibited by Congress when the pipeline was approved. Japan imports oil from Mexico's gulf coast, while Alaska oil is transported to

U.S. Gulf Coast refineries. The tankers pass at the Panama Canal. A "trade" would decrease shipping costs at both ends, diversify Japan's sources of crude oil, and benefit all parties concerned with the exception of U.S. shipping interests.

The powerful Japanese Ministry of International Trade and Industry (MITI) projects Japanese coal consumption in 1990 at 1.9 million barrels of oil equivalent per day, or more than nine times the 1979 consumption./5/ The groundwork for this 23% annual increase in coal use is currently being laid. Expanded coal use requires mine, transportation and generating facility development. Generating facilities must be matched to the characteristics of the coal to be burned. A recent Shell Coal Ltd. Study outlined the large amount of capital required to expand Japanese coal use. The estimated cost in current dollars to mine, transport and generate electricity in Japan from 5 million tons per year of Australian coal was $3.8 billion. An outlook for long-term stability is necessary to justify such large capital investments.

Japanese firms recently entered into long-term agreements to import Canadian and Austalian coal. The Canadian deal involves 6 million metric tons of coal over a 15-year period, and will require $1.5 biilion of infrastructure investment in remote northeastern British Columbia.

Can Alaska take advantage of the rapidly expanding Japanese coal market? Alaska coal, while plentiful, is low of quality. This apparently has deterred Japanese firms. Due to long lead times, and Alaska production associated with the Japanese market must be planned soon if it is to occur in the 1980's.

Aside from its low quality, Alaska coal has numerous advantages in supplying Japanese demand. Alaska is politically stable, large deposits of coal are close to tidewater, shipping distances are relatively short, and the potential exists for state subsidy of coal-related infrastructural development. While it appears that coal exports to Japan will not generate significant Alaska employment for most of the 1980's, Japan's huge demand and Alaska's equally huge supply are likely to be matched at some point in the future.

FISHERIES

Japan is the world's largest importer of seafood, and the most important export market for Alaska seafood products. In 1980 Japan imported the following percentages of Alaska production of these selected seafoods./16/

Fresh and frozen salmon	60%
Canned salmon	2%
Frozen king crab	21%
Frozen tanner crab	32%

Consistent with a general westernization of Japanese life styles, Japanese diets have changed dramatically in the past quarter-century. Per capita protein intake has more than doubled and consumption of protein from non-seafood sources rose six-fold, replacing seafood in the late seventies as the larger source of protein in the average Japanese diet. Japanese per capita seafood consumption did not increase in the late seventies, and appears to have leveled off./17/

The price of fish in Japanese markets increased geometrically in the 1970's, and only the cheapest fish such as mackeral and squid compare in price with poultry. While consumers have supported these high prices, the collapse of the 1980 herring roe market demostrated that a limit exists.

Extensive Japanese investment in the Alaska industry, estimated variously at 60% to 80%, tends to insure access to the Japanese market.

Future Japanese demand for Alaska seafood will be influenced by several factors:

1) Overall Japanese Seafood Demand - Projections call for gradually increasing Japanese seafood demand through the rest of the century./18/ Imports are expected to expand rapidly as a result of 200-mile zone exclusions of Japanese ships. These projections are for all fish, with bottomfish making up a large share.

2) Prices - Japan has generally experienced single-digit inflation in the past decade, while the prices of Alaska seafood imports have risen at substantially higher rates. Until the past two years, the rapid price increases have cushioned the Alaska industry. Although it is not clear at what point consumers will rebel, it is likely that the era of large, compound price increases as seen during the 70's is over.

3) Japanese Personal Income - As luxury foods, Alaska seafood exports to Japan are particularly sensitive to Japanese personal income fluctuations.

Overall, the outlook for production and employment based on exports to Japan appears fairly strong. Increasing overall Japanese demand for seafood, extensive Japanese investment in the Alaska fisheries industry, continuing consumer demand for Alaska products despite recent price increases, and a relatively good outlook for Japanese personal income all support continuing strong demand.

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1/ "Alaska Construction and Oil," Sept. 1981; p. 39

2/ Conversation with David Darr, U.S. Forest Service Experiment Station, Portland; 11/23/81

3/ Ruderman, Florence; "Production Prices, Employment and Trade," 4th Quarter, 1980; p. 17, 28

4/ Mehrkens, Joseph; "Southeast Alaska Timber Supply and Demand;" 1981; p. 11

5/ Udea, Mishihiko and Darr, David; "The Outlook for Housing in Japan to the Year 2000;" 1980

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7/ Industrial Bank of Japan Monthly Report; August 1981; p. 17

8, 9/ See 5 above

10/ Gallagher, Paul; "An Analysis of the Softwood Log Trade Between the United States and Japan;" 1980

11/ Conversation with Joseph Mehrkens, U.S. Forest Service; 11/25/81

12/ See 4 above; p. 41

13, 14, 15 Chase Manhattan Bank; "The Petroleum Situation;" April 1981

16/ Conversation with NMFS Juneau Office; 3/21/81

17, 18 Atkinson, Clinton; "Japanese Markets;" Alaska Seas and Coasts; Volume 8, N0. 5, December 1980 - January 1981

ALASKA LABOR FORCE IN NOVEMBER

By Brit Harvey

Alaska wage and salary employment declined in November by 1.3% to 180,100 jobs. This decline was unsually small, resulting in a seasonally adjusted employment figure of 182,600, the highest of the year, and an employment increase over the year of 6.9%. Seasonal adjustment removes seasonal effects and helps reveal underlying trends. Alaska's economy is contracting as winter approaches, but not to the extent of previous years.

It is likely that the atypically shallow decline in economic activity and employment experienced this fall will continue through the winter. Indeed, Alaska's oil and gas wealth-driven economy may be entering a period of diminished seasonality. Oil and gas, and construction are joining government, the traditional source of employment stability, in tempering the severity of the winter seasonal decline. An economy less subject to winter contraction is likely to support expanded employment in the secondary industries where roughly three-quarters of Alaska's private sector employment is concentrated.

Resistance to seasonal contraction was particularly procounced in construction. Normally highly seasonal, construction employment declined only 12%.

Seasonally adjusted, construction employment increased 5.1% to 13,815, the highest level of the year (see graph).

There is good reason to expect continued expansion of seasonally adjusted construction this winter. Anchorage office construction and North Slope oil field development should remain strong through spring. The State appropriation/bid award scheduling tends to force late summer construction start-up, pushing construction into fall. With the possible exception of office construction in Anchorage, the forces which are deseasonalizing construction are likely to remain in effect for several years.

Oil and gas industry employment increased 5.0% in November, spurred by the advent of the arctic winter drilling season. Oil and gas employment has not exhibited identifiable seasonality in the past, as oil and gas activities tend to occur fairly evenly throughout the year. The rapid expansion of oil and gas

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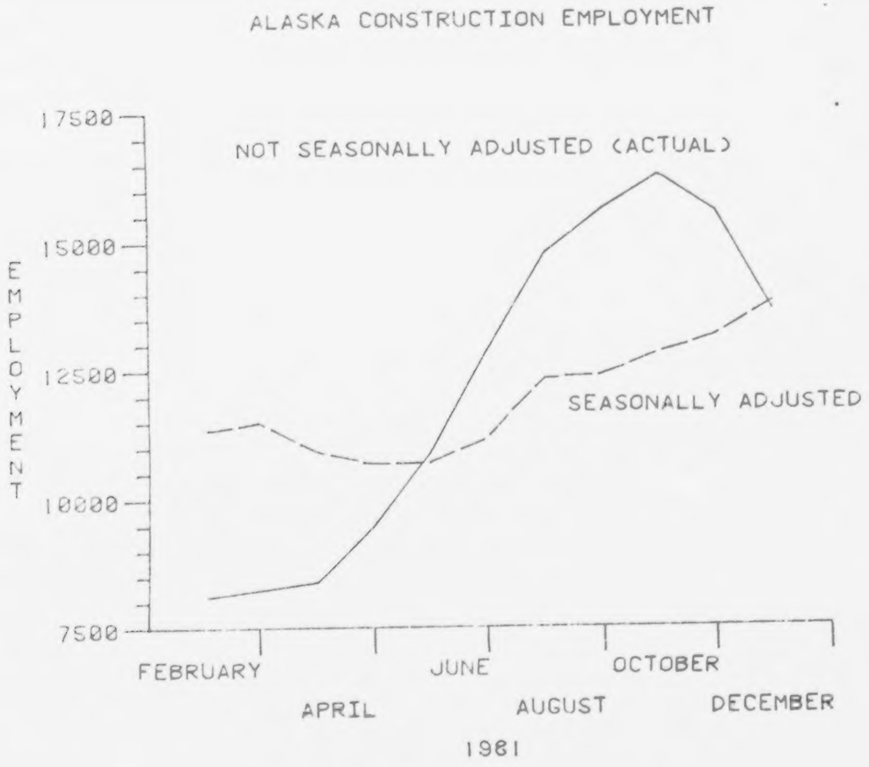


employment in the last year and a half directly expanded employment in an industry not subject to seasonal fluctuation, and indirectly decreased seasonality in secondary industries such as transportation and services.

Lumber and pulp employment continued its decline in November, losing 45 jobs. The depression in this sector is forcing difficult decisions, particularly by native corporation timber owners. Low prices currently offered in the weak Japanese market suggest the desirability of deferring harvests. Yet corporate sales and shareholder employment require some harvest. It is also not clear how long it will be before prices begin to rise. In this difficult business environment harvest decisions are apparently being based less on weather and more on emerging native corporate criteria. Native corporation logging peaked in November, and is scheduled to begin again in January. It was this native corporation contribution in November which prevented logging from experiencing a steeper decline from its depressed October level.

Seafood processing employment took a 20% dive in November. Poor crab catches forced prices up, some processors withdrew from the market due to price competition, and employment was diminished.

Government employment trends were split between educational and noneducational sectors. While educational employers added jobs, noneducational employment dropped by 100. One year after Ronald Reagan's election, federal employment in Alaska is down 2.3%.

Among the secondary industries, transportation, communications and utilities, and trade employment declined by 0.9%. Services dropped 2.6%, with hotels and motels and miscellaneous business services accounting for almost half the decline. Finance, insurance and real estate employment increased slightly, as it has in past November's.

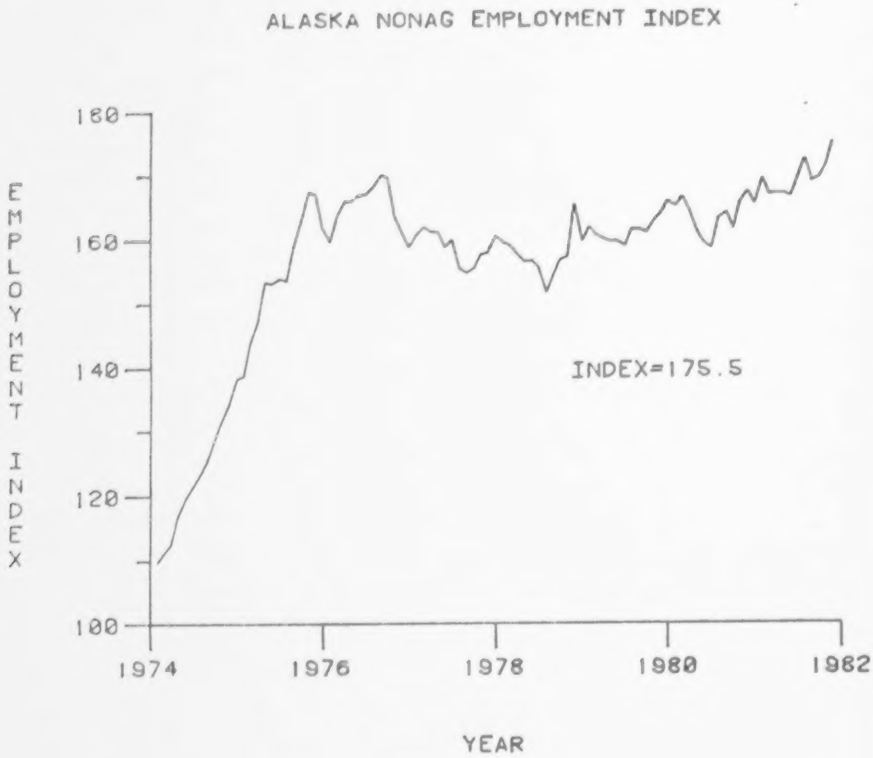
The long-term outlook for Alaska employment is heavily influenced by oil wealth. November saw several events of note related to Alaska's oil situation.

The National Petroleum Council preliminary report on Alaska's oil potential was made public. The council, composed of industry executives, estimated econmically recoverable reserves of oil and gas equivalent to 20.6 billion barrels of oil assuming a 10% return on industry investment. This compares to 9.6 billion barrels of oil estimated for Prudhoe Bay. Costs for offshore drilling were estimated to run as high as $0.5 million per day, and a single well was estimated to cost $90 million in the Chukchi Sea.

World oil prices continued to decline in November as Libya granted tax concessions, effectively lowering its prices $1 per barrel. Several studies predict declining real oil prices. William Brown of the Hudson Institute, writing in "Fortune," 7/ suggests that nominal oil prices may decline by 1985 to as low as $20 to $15 per barrel. While other experts disagree with Brown, declining real oil prices would have the following effects on Alaska's economy and employment:

1) Curtailed development of marginal oil fields

2) Diminished incentive for coal development

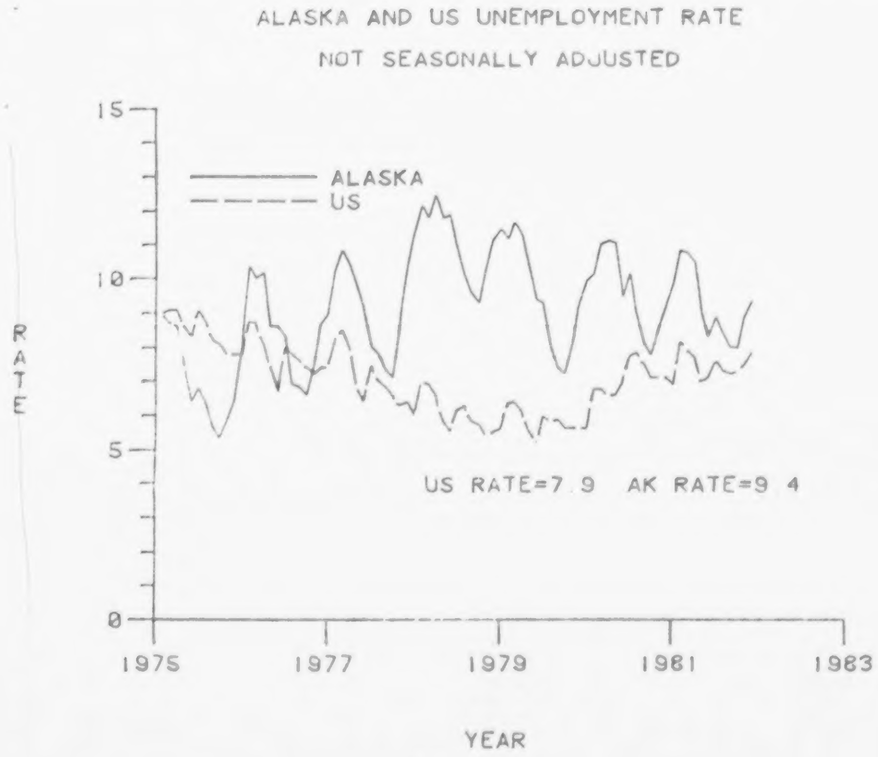


3) Lessened state revenue

4) Possible exacerbation of financing difficulties surrounding the gasline.

World oil prices are perhaps the most important single variable forecasting Alaska's economic growth and employment.

A house energy subcommittee staff report released in November detailed the "incredible" dichotomy between oil industry and non-oil industry profits in the period 1978 to 1980. During this period Fortune 500 oil and gas industry corporate profits increased at a 51.0% annual compound rate, as compared to 0.4% for non-oil corporations on Fortune's list. 96% of total net income increase for the nation's 1,000 largest corporations went to the 82 oil and gas industry companies, with the other 918 sharing only 4%. This phenomenal shift of corporate profits to the energy sector is boosting the economy of energy-rich states such as Alaska.



Finally, the largest onshore oil and gas lease sale in U.S. history was announced for the National Petroleum Reserve-Alaska.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

				CHANGES FROM:	
	11/81 [P]	**10/81** [R]	**11/80**	**10/81**	**11/80**
Nonag. Wage & Salary	180100	182800	168500	-2700	11600
Mining	7600	7500	6800	100	800
Construction	13600	15500	10400	-1900	3200
Manufacturing	9200	10500	11200	-1300	-2000
Food & Kindred Prod.	4000	4800	5700	-800	-1700
Lumber & Paper Prod.	2400	2500	2800	-100	-400
All Other Mfg.	2800	3200	2700	-400	100
Trans. Comm. & Util.	17700	18000	16600	-300	1100
Trucking & Whseing.	2100	2100	1700	0	400
Water Transportation	1200	1300	1200	-100	0
Air Transportation	5500	5600	5200	-100	300
Other Transportation Comm. & Utilities	8900	9000	8500	-100	400
Trade	32100	32300	29500	-200	2600
Wholesale Trade	6200	6200	5300	0	900
Retail Trade	25900	26100	24200	-200	1700
Gen. Merchandise & Apparel	4500	4400	4300	100	200
Food Stores	4400	4400	4000	0	400
Eating & Drinking Places	8900	9200	8000	-300	900
Other Retail Trade	8100	8100	7900	0	200
Finance-Ins. & R. Estate	8700	8700	8200	0	500
Services & Misc.	31600	32400	29400	-800	2200
Government	59600	57900	56400	1700	3200
Federal Government	17600	17500	18100	100	-500
State Government	17100	17200	16000	-100	1100
Local Government	24900	23200	22300	1700	2600

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

THE ANCHORAGE-MATSU LABOR FORCE IN NOVEMBER

By Greg Huff

November's nonagricultural wage and salary employment for the Anchorage-MatSu labor market region continued the seasonal slide from the peak of summer. Over the month loss for the region was 1,450 jobs (1.5% decline), with the Anchorage area losing 1,250 of the total lost. However, even with this decline in nonagricultural employment, the seasonally adjusted nonagricultural employment index again registered gains over the previous month. November's index rose to the 181.1 mark. This can be interpreted that the seasonal downturn masks the underlying improvement in employment and generally strong economy despite normal seasonal trends. In addition, the region is feeling a greater impact than the remainder of the state.

Declines in construction employment represented the brunt of the seasonal slide, decreasing 13.6% (1,250 jobs), and next month more of the same is expected. December's construction employment will settle betweem May and Junes levels, when the climb to the peak began this year.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	11/81	10/81	11/80	11/81	10/81	11/80	11/81	10/81	11/80	11/81	10/81	11/80
Alaska Statewide	196864	198183	185053	18445	17705	16964	9.4	8.9	9.2	178419	180478	168089
Anch -MatSu Region	100620	101110	90393	7500	7585	7004	7.5	7.5	7.7	93120	93525	83389
Anchorage	90462	90989	81099	6280	6441	5714	6.9	7.1	7.0	84182	84548	75385
Matanuska-Susitna	10158	10121	9294	1220	1144	1290	12.0	11.3	13.9	8938	8977	8004
Gulf Coast Region	21826	22249	21294	2875	2373	2509	13.2	10.7	11.8	18951	19876	18785
Cordova	1171	1191	1155	139	108	132	11.9	9.1	11.4	1032	1083	1023
Kenai	11137	11421	10965	1558	1375	1470	14.0	12.0	13.4	9579	10046	9495
Kodiak	4754	4698	4437	625	368	344	13.1	7.8	7.8	4129	4330	4093
Seward	1592	1649	1554	271	263	244	17.0	15.9	15.7	1321	1386	1310
Valdez	3172	3290	3183	282	259	319	8.9	7.9	10.0	2890	3031	2864
Interior Region	26043	26623	25138	3214	3070	2941	12.3	11.5	11.7	22829	23553	22197
Fairbanks	21213	21669	20433	2619	2486	2353	12.3	11.5	11.5	18594	19183	18080
Southeast Fairbanks	2126	2195	2038	232	241	197	10.9	11.0	9.7	1894	1954	1841
Upper Yukon	589	606	605	73	73	103	12.4	12.0	17.0	516	533	502
Yukon-Koyukuk	2115	2153	2062	290	270	288	13.7	12.5	14.0	1825	1883	1774
Northern Region	8767	8605	8259	626	609	679	7.1	7.1	8.2	8141	7996	7580
Barrow-North Slope	2565	2548	2347	168	193	115	6.5	7.6	4.9	2397	2355	2232
Kobuk	2552	2500	2452	205	194	266	8.0	7.8	10.8	2347	2306	2186
Nome	3650	3557	3460	253	222	298	6.9	6.2	8.6	3397	3335	3162

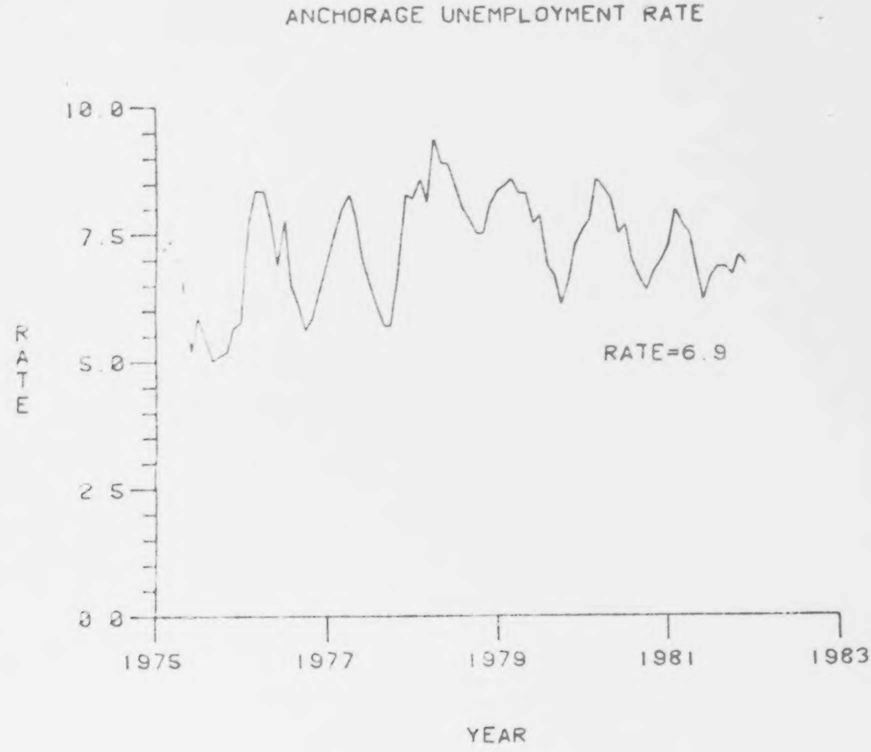
Southeast Region	29456	29615	28918	3279	3271	2933	11.1	11.0	10.1	26177	26344	25985
Angoon	456	465	466	48	54	61	10.5	11.6	13.1	408	411	405
Haines	1078	1074	1130	108	98	168	10.0	9.1	14.9	970	976	962
Juneau	10169	10236	10073	831	838	803	8.2	8.2	8.0	9338	9398	9270
Ketchikan	6166	6217	5961	808	825	642	13.1	13.3	10.8	5358	5392	5319
Outer Ketchikan	1062	1139	1042	195	266	181	18.4	23.4	17.4	867	873	861
Prince of Wales	1608	1624	1573	179	186	155	11.1	11.5	9.9	1429	1438	1418
Sitka	4083	4068	4012	409	371	365	10.0	9.1	9.1	3674	3697	3647
Skagway	1704	1683	1664	224	194	195	13.1	11.5	11.7	1480	1489	1469
Wrangell-Petersburg	3130	3109	2997	477	439	363	15.2	14.1	12.1	2653	2670	2634
Southwest Region	10152	9981	11051	951	797	898	9.4	8.0	8.1	9201	9184	10153
Aleutian Islands	2290	2256	2514	121	91	121	5.3	4.0	4.8	2169	2165	2393
Bethel	3429	3389	3704	424	390	388	12.4	11.5	10.5	3005	2999	3316
Bristol Bay Borough	409	408	436	37	37	26	9.0	9.1	6.0	372	371	410
Bristol Bay	1342	1320	1465	103	83	98	7.7	6.3	6.7	1239	1237	1367
Kuskokwim	1039	989	1102	141	92	111	13.6	9.3	10.1	898	897	991
Wade Hampton	1643	1619	1830	125	104	154	7.6	6.4	8.4	1518	1515	1676

[p] Preliminary [R] Revised 1980 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

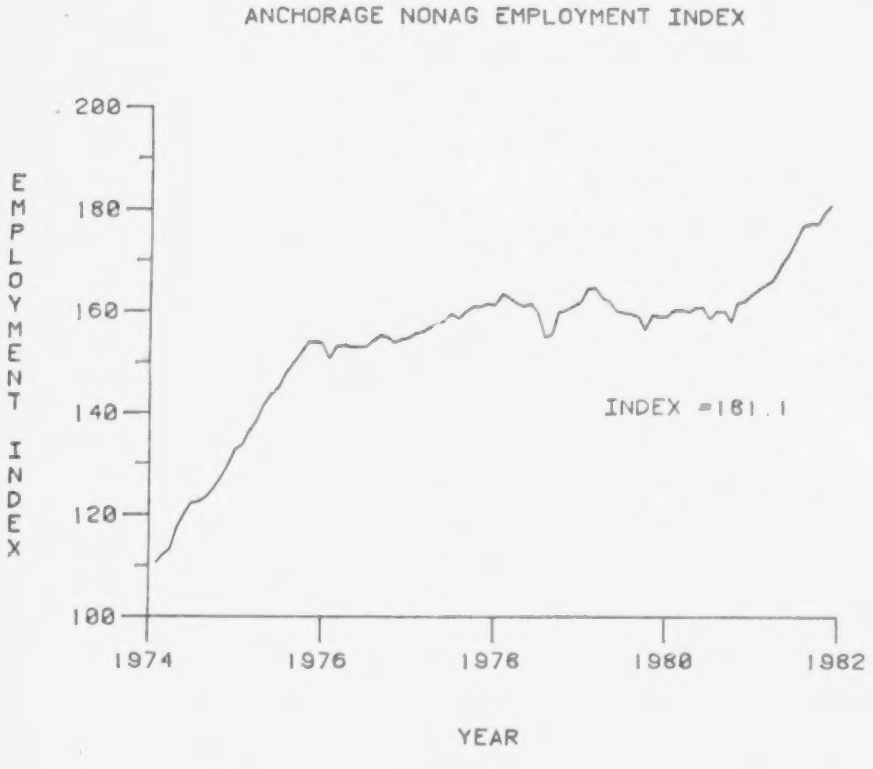
Despite seasonal declines, construction activity and employment remain strong. At year end, construction employment (annual average) in the Anchorage-MatSu labor market region will register gains of at least 13% over year ago levels. In addition, over the year growth in the region has consistently outpaced statewide growth, resulting in the regions percentage share of statewide construction employment to increase. In November 58% of statewide construction employment was located in the Anchorage-MatSu labor market region. This compares to 52% last year.

Focusing on the region's construction employment mix: MatSu's construction activity, hence employment, is primarily related to residential construction, whereas in Anchorage both residential and commercial construction are both major forces on construction employment. The region's residential construction employment in November made up over 61% of total statewide construction employment. In comparison, Anchor-


ANCHORAGE UNEMPLOYMENT RATE

age itself provides over 54%, while MatSu residential construction provides 7% of statewide construction employment. A different picture appears when examining commercial construction employment. Anchorage supplied 65.4% of the state total, whereas the regions total is 66.4%, leaving a small percentage share in MatSu. The fact that Anchorage supplies the state with 65.4% of total commercial construction employment and, in comparison, represents 48% of total statewide nonagricultural employment and 43% of the states population, clearly indicating that Anchorage is getting a larger share of the construction activity than the balance of the State.

MatSu residential construction employment has experienced much improvement over last year. Last year, in November, MatSu residential construction represented slightly over 1% of residential construction employment statewide. This November marked 7% of statewide total and throughout the summer months the percentage share of state total has been above last



year. This improvement can be attributed to the low mortgage loans available through state funding and the influx of people from places outside the borough, particularly Anchorage. (The MatSu Borough was the fastest gropwing census area in the state between 1970 and 1980). MatSu has become an alternative to living in Anchorage. Reasons vary, but the 10% to 20% lower home costs lure many from Anchorage to the valley.

Not only did construction employment increase its position over the year, as measured by percentage share of statewide employment, but total nonagricultural wage and salary employment has also registered gains over last year. This holds true for nearly every main industry group. Last November the regions percentage share was 48.6%. This year it represented 50.5%, a 3.9% increase. This falls in line with comparisons between growth rates over the year. Statewide growth from November to November registered 6.9%, while Anchorage-MatSu increased 11.2% over year ago levels.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

				CHANGES FROM	
	11/81[P]	10/81[R]	11/80	10/81	11/80
Nonag. Wage & Salary	91000	92450	81950	-1450	9050
Mining	3300	3300	2450	0	850
Construction	7950	9200	5500	-1250	2450
Manufacturing	1950	2100	1650	-150	300
Trans. Comm. & Util.	8900	9050	8200	-150	700
Trade	19600	19500	17500	100	2100
Finance-Ins. & R. Estate	6000	6000	5450	0	550
Services & Misc.	18350	18550	17250	-200	1100
Government	24950	24750	23950	200	1000

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/	R/			
	11/81	10/81	11/80	10/81	11/80
Nonag. Wage & Salary	87550	88800	78900	-1250	8650
Mining	3250	3200	2400	50	850
Construction	7650	8850	5350	-1200	2300
Manufacturing	1900	2000	1600	-100	300
Food & Kindred Prod.	300	300	250	0	50
Other Mfg.	1600	1700	1350	-100	250
Trans. Comm. & Util.	8550	8650	7850	-100	700
Trucking & Whseing.	1150	1150	900	0	250
Water Transportation	450	450	400	0	50
Air Transportation	3050	3100	3000	-50	50
Other Transportation Comm. & Utilities	3900	3950	3550	-50	350
Trade	18850	18750	16800	100	2050
Wholesale Trade	4550	4500	4000	50	550
Retail Trade	14300	14250	12800	50	1500
Gen. Merchandise	2050	1950	1900	100	150
Food Stores	2150	2100	1800	50	350
Eating & Drinking Places	4800	4850	4250	-50	550
Other Retail Trade	5300	5350	4850	-50	450
Finance-Ins. & R. Estate	5950	5950	5300	0	650
Services & Misc.	17850	18050	16900	-200	950
Government	23550	23350	22700	200	850
Federal	9800	9800	9650	0	150
State	5900	5800	5400	100	500
Local	7850	7750	7650	100	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

As construction employment falls, trade employment is shifting to its peak. Retail trade in Anchorage jumped a notch over last month rising to 14,300. The month to month increase came as a result of an increase in food stores and general merchandise employment, offsetting declines in eating and drinking places and other retail trade.

The over the month picture in trade is more of the same—growth. Retail trade employment was up above last November's level by over 1,500 workers, a 11.7% increase. The largest absolute increase came in eating and drinking places with an addition of 550 workers (12.9%). The increase came mostly from an increase in the number of firms. The largest percentage increase was in food store employment with a gain of 19.4% (350 jobs). This increase was also primarily as a result of additional stores opening their doors in Anchorage. Both general merchandise and other retail trade employment experienced milder increases of 7.9% and 7.3%. These increases were slightly more mixed in nature; with new stores opening in Anchorage (for example, the Northway Mall) contributing the brunt of the increase and the remainder due to greater Christmas season employment this year than last.

The Census Bureau has recently released a supplementary report on Standard Metropolitan Statistical Areas. According to this report, Anchorage was the 35th fastest growing SMSA in the nation out of 323 SMSA's. Anchorage ranked 194 in size in 1980 compared to 217 in 1970. For those not familiar with census language the general concept of an SMSA is one of a large population nucleus, with adjacent communities which have a high degree of economic and social intergration with that nucleus. Each SMSA has one or more central counties (boroughs in Alaska) containing the areas main population with an urbanized area of at least 50,000 inhabitants. Anchorage is Alaska's only SMSA.

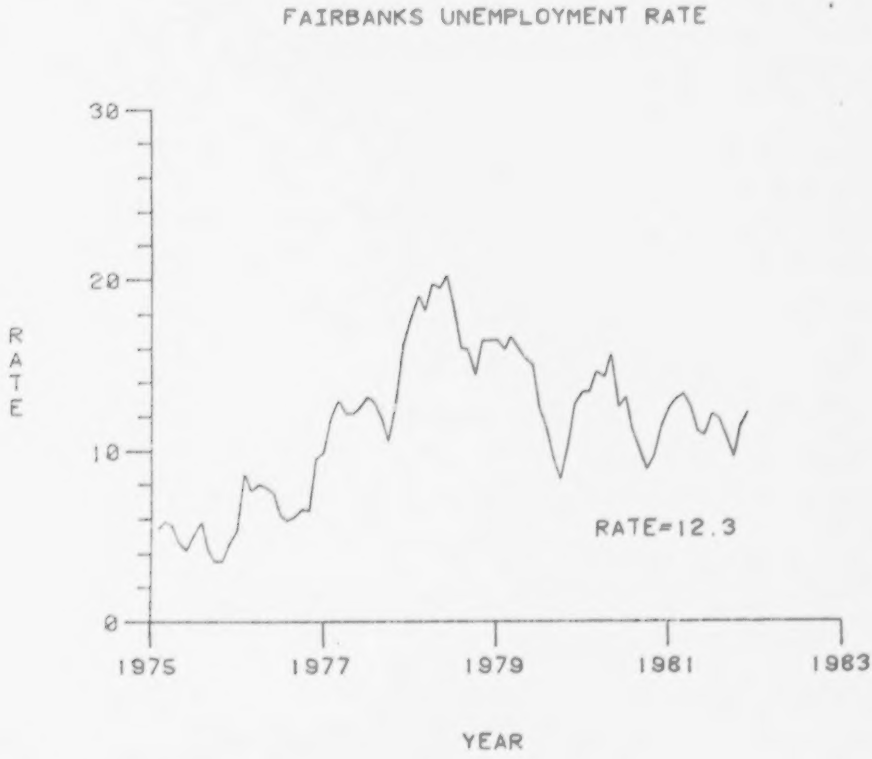
FAIRBANKS/INTERIOR LABOR FORCE IN NOVEMBER

By Neal Fried

With the rivers freezing up, and snow beginning to fall, the Interior's seasonal industries continued to lose employment in November. Very few of the Interior's industries are insulated from these winter dips in employment. This is particularly true for the section of the Interior which excludes Fairbanks. This includes the census divisions of Yukon-Koyukuk, Upper Yukon and Southeast Fairbanks. Throughout the remainder of this article, references to the Interior will include only these three divisions. This area is largely made up of small communities along the Interior's major highways and isolated communities which can be reached only by air or water.

Employment will typically fluctuate in the Interior by as much as 29%, from its lowest employment point of the year (January) to its peak (August-September). This is 10 percentage points more fluctuation than Fairbanks experiences over a one year period. November's employment illustrates this difference well. Fairbanks lost employment in four industries, gained in two and remained stable in the remaining industry. The remainder of the Interior lost employment in all industries but one. The Interior's over-the-month decline was 9% and Fairbanks' was 3%. This is a typical yearly occurrence, and given the Interior's employment make up, and its general lack of an economic infrastructure, it is not surprising as seasonality dominates its economies. Employment in such industries as mining, construction and transportation, are extremely seasonal. When the creeks freeze up, most mining activity ceases, and snow and cold cut deeply into construction. Transportation employment falls since it complements the industries mentioned above, and water transportation simply comes to a halt.

Industries which typically provide stability to an area's economy, such as trade, finance, and services, are very small in the Interior and therefore do not provide much of a moderating force on the seasonal industries. For example, retail trade employment's share in the Interior is less than half Fairbanks' and finance is only one third. Services which is one of the Interior's larger industries, employs 11% of its work force compared to Fairbanks' 19%. Because these industries are small, they too ride the rough seasonal employment waves in the Interior. Even government, Interior's largest industry (employing 51% of the work force) is far more seasonal than is the case in Fairbanks. This is because fire fighting crews, park service, highway and fish and game personnel perform a great deal of seasonal work in the Interior.



This seasonality does not necessarily attest to the Interior's lack of economic health, but instead reflects the fact that there is not enough economic activity in the area to support an economic infrastructure, which can provide for a stable work force. Much of Alaska's work force is seasonal, with less fluctuation occurring in the urban centers and more in areas where the economies are small or depend upon one or two major seasonal industries. For some economies in the Interior, this may be a simple stage of economic development and for others there will be little change.

The Fairbanks October Consumer Price Index released this month brought good news to Fairbanks—at least temporarily. The index recorded the lowest increase in prices since its inception in February of 1979. The annual rate of change registered a 7.2% increase, compared to 9.9% for the nation. The annual rate of change has been falling in the range of 7.2%-10.8% during 1981. All major categories grew less

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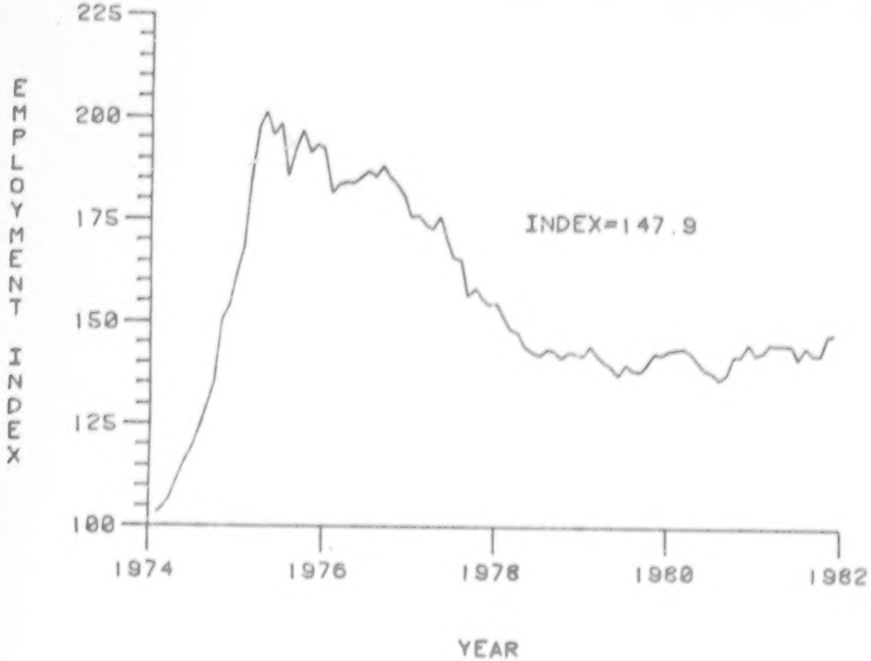
FAIRBANKS NONAG EMPLOYMENT INDEX



rapidly than the nation's. Both housing and transportation were responsible for most of the increase.

Prices nationally are projected to fall in the near future, largely because of the recession presently experienced in most of the country. This likely will put downward pressures on prices. Because most of the goods and sevices in Fairbanks originate from somewhere else in the country, this may help to keep Fairbank's low rate. On the other hand, some local economic forces in Fairbanks could more than offset this. With the rental market tightening up, the housing portion of the index is expected to increase in Fairbanks. Utility rates are also expected to increase in Fairbanks significantly in the upcoming months and this too will put upward pressure on the index. Other categories such as food and clothing are not likely to fall any further. It is difficult to forecast inflation, but an overall 9-10% range for the next 12 months can be expected in Fairbanks.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

				CHANGES FROM	
	11/81[p]	**10/81**[r]	**11/80**	**10/81**	**11/80**
Nonag. Wage & Salary	25300	26450	24700	-1150	600
Mining	200	250	150	-50	50
Construction	1950	2450	1700	-500	250
Manufacturing	650	700	850	-50	-200
Trans. Comm. & Util.	3400	3550	3300	-150	100
Trade	4250	4400	4150	-150	100
Finance-Ins. & R. Estate	800	800	800	0	0
Services & Misc.	4250	4450	4000	-200	250
Government	9800	9850	9750	-50	50

Government includes teachers in primary and secondary schools and personnel employed by the University of Alaska

Benchmark Date March 1980

[p] Denotes preliminary estimates

[r] Denotes revised estimates

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	11/81[P]	10/81[R]	11/80	10/81	11/80
Nonag. Wage & Salary	22000	22700	21200	-700	800
Mining	50	50	50	0	0
Construction	1800	2350	1600	-550	200
Manufacturing	450	500	650	-50	-200
Trans. Comm. & Util.	2600	2650	2550	-50	50
Trucking & Whseing.	400	400	350	0	50
Air Transportation	650	650	650	0	0
Other Trans. Comm. & Utilities	1550	1600	1550	-50	0
Trade	4100	4000	3900	100	200
Wholesale Trade	650	650	700	0	-50
Retail Trade	3450	3350	3200	100	250
Gen. Merchandise & Apparel	450	400	400	50	50
Food Stores	600	550	600	50	0
Other Retail Trade	2400	2400	2200	0	200
Finance-Ins. & R. Estate	750	750	750	0	0
Services & Misc.	3850	4050	3650	-200	200
Government	8400	8350	8050	50	350
Federal	2400	2400	2250	0	150
State	3650	3600	3600	50	50
Local	2350	2350	2200	0	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

GULF COAST LABOR FORCE IN NOVEMBER

By Neal Fried

This month's labor force statistics for the Gulf Coast have moved in predictable ways. Employment fell, unemployment grew, and the rate climbed. The only dynamic part is that this month's unemployment rate of 13.2% is 2.5 points above the corresponding month last year. Employment has grown for this period, but obviously not fast enough to accommodate the increasing number of job seekers. This phenomenon is presently occurring in most of Alaska's urban areas and the only explanation is that there has been a larger than normal influx of job seekers. Typically, the number of outside job seekers grows during the spring and summer months, but this winter the number of recent newcomers has remained at abnormally high levels. With this, and the usual winter employment contraction, the job market appears to be coming extremely competitive. If this is a forewarning for what is to come in the spring and summer, the labor market for the Gulf Coast and the remainder of the state will be difficult for many job hunters to crack.

Nonagricultural wage and salary employment fell this month, with most of the losses coming from fish processing. The slowing down of the king crab season has brought on the losses in manufacturing, and these losses can be expected to continue for the next 2-3 months, until the tanner crab season gets underway.

These ups and downs in fish processing employment have a big effect on particular areas within the region. One of these areas reportred on last month was Kodiak. The only other area whose economic destiny is almost entirely tied to the fishing industry is Cordova. The remainder of the areas within the Gulf Coast region are dependent upon the industry to varying degrees.

The Cordova census division, as defined by the Department of Labor includes not only the community of Cordova but also McCarthy, Cape Yakataga and the surrounding area. The community of Cordova, however, is responsible for more than 90% of the census division's employment, and therefore both the census division and the community of Cordova's labor force are virtually synonymous.

Cordova's wage and salary employment has grown by 56% over the decade, making it the only area in the region which has grown more slowly than the state's overall average. This is both because Cordova received little or no stimulus from the construction of the oil pipeline and its fish processing capabilities have not been quite as dynamic as some other areas in the state. Nevertheless, the fishing industry is Cordova's largest employer, employing 29% of the wage and salary work force. It has also been the second fastest growing industry during the decade—increasing by 122%. Employment in this industry is the least static of all the industries during a year's time, peaking at 829 workers in July, and decending to 91 in November. No historical figures exist on the number of fishermen and crew for the Prince William Sound fishery, (which makes Cordova its base) for 1979. The annual average was 588, reaching a peak of 1,597 in July. Though many of these fishermen are not permanent residents of Cordova, it does indicate the importance of this fishery.

All other industries in Cordova have grown as a result of the growth in the fishing industry. Transportation has grown the most rapidly (222%), and government the slowest (52%). Government is Cordova's second largest employer, however, employing approximately 26% of Cordova's wage and salary employment. Most of government's growth came from state and local government, with little or no growth registering in the federal sector. Most other industries in Cordova have grown more slowly than the fish industry. This is not unusual in an economy which is too small to take advantage of economies of scale, and therefore is not able to support a large secondary sector.

Though Cordova was hardly touched by the oil pipeline experience, it is now reaping some of the wealth from the oil, through additional state expenditures. Much of this effort will go to construction, which is presently one of Cordova's smallest industries, and in the long run it will provide additional infrastructure to the fishing industry. Presently the largest project underway (which is funded by federal, state and local sources)

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	11/81[p]	10/81[R]	11/80	10/81	11/80
Nonag. Wage & Salary	15850	16750	15850	-900	0
Mining	850	850	850	0	0
Construction	1000	1150	800	-150	200
Manufacturing	2700	3550	3200	-850	-500
Food & Kindred Prod.	1900	2700	2200	-800	-300
All Other Mfg.	800	850	1000	-50	-200
Trans. Comm. & Util	1700	1650	1600	50	100
Trade	2300	2300	2300	0	0
Wholesale Trade	350	350	300	0	50
Retail Trade	1950	1950	2000	0	-50
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc	2450	2500	2400	-50	50
Government	4400	4300	4250	100	150
Federal	500	500	550	0	-50
State	1350	1350	1350	0	0
Local	2550	2450	2350	100	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska

Benchmark Date March 1980.

[p] Denotes preliminary estimates

[R] Denotes revised estimates

is the $11 million expansion of Cordova's boat harbor. The break water is expected to be completed by early next year and dredging will begin next spring. The harbor is planned to be completed by 1983. This project will double the size of the present harbor. Additional water and sewer projects to the tune of approximately $4 million are presently undwerway, or will be underway during the next year. Some of these projects will also help to enhance the fishing industry by providing the fish processors with added supplies of water. A number of smaller projects are also underway which will provide additional stimuli to Cordova's economy.

Cordova's future will continue to be nearly completely tied to the fishing industry. This means its growth or lack of it will largely depend upon the health of the Prince William Sound fishery. If the near past's exceptionally good salmon catch is any indication of what is to come in the near future, then Cordova's economy will continue to grow.

SOUTHEAST ALASKA LABOR FORCE IN NOVEMBER

By Debbie Berggren

Nonagricultural wage and salary employment decreased in November by 550 jobs or 2.1%, but is still 500 jobs, or 2.0%, above year-ago. Construction, mining, services & miscellaneous, and government industries were the only industries which experienced employment decreases.

Due to seasonal declines, construction employment decreased approximately 250 jobs. Mining, services & miscellaneous also experienced seasonal downturns, dropping about 200 jobs. As a whole, government decreased 100 jobs. Federal and state government experienced employment decreases of 50 and 150 jobs respectively. Local government was the only major industry which experienced an employment increase during November.

Overall, manufacturing employment was unchanged from October. Food and kindred products employment decreased slightly, offsetting the increase in the all other manufacturing sector. Lumber and paper products employment showed no change over October. This was due to the native logging companies reaching peak employment during the month, offsetting the job loses from other companies.

Transportation, communication and utilities, trade, and finance, insurance and real estate industries reflected no employment gains or losses during the month.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	11/81[P]	10/81[R]	11/80	10/81	11/80
Nonag. Wage & Salary......	25950	26500	25450	-550	500
Construction..............	1350	1600	1150	-250	200
Manufacturing............	2650	2650	2700	0	-50
Food & Kindred Prod.....	500	550	500	-50	0
Lumber & Paper Prod....	1900	1900	1950	0	-50
All Other Mfg............	250	200	250	50	0
Trans. Comm. & Util.......	2550	2550	2550	0	0
Trade.....................	3950	3950	3800	0	150
Wholesale Trade	400	400	350	0	50
Retail Trade..............	3550	3550	3450	0	100
Finance-Ins. & R. Estate ..	1000	1000	1100	0	-100
Mining, Services & Misc...........	3400	3600	3300	-200	100
Government	11050	11150	10850	-100	200
Federal	2150	2200	2500	-50	-350
State.....................	4900	5050	4600	-150	300
Local.....................	4000	3900	3750	100	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

HOURS AND EARNINGS IN OCTOBER

By Su Nelson

Average weekly hours in the mining industry decreased by 5%. This was primarily due to hard rock miners working shorter hours. Because of this and a slight drop in average hourly earnings, mining's average weekly earnings dropped 7%.

Though average weekly hours in construction increased slightly, average hourly earnings decreased 6% due to fewer overtime and double time hours being worked.

Upon initially looking at the manufacturing industry and it's components, it would seem that lumber and paper products are doing well, as are food and kindred products. This is somewhat misleading however, as there has been a significant net loss in logging employment recently. It just happens that those employees still working are working longer (plus 16%) hours than in September, causing their average weekly earnings to increase 20%. Food processing's increased hours were due to similar reasons, where those companies still operating are getting into the crab and shrimp seasons.

The transportation industry's increase in average hourly earnings was due to several small factors, which combined to make the 4.7% jump. One factor was that many telephone and electric companies are installing new lines and updating their systems. The employees who do these projects are paid at a higher rate. In several trucking and barge companies, there was some decrease in employment, leaving only higher paid employees. The decline in average weekly hours balanced this wage increase, so that the weekly earnings were very close to September's.

Another significant change (plus 6%) occurred in wholesale trade's average weekly hours. After the slump in weekly hours during September, October's hours pulled back up nearer to August's.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES [1] [2]

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 10/81	r/ 9/81	10/80	p/ 10/81	r/ 9/81	10/80	p/ 10/81	r/ 9/81	10/80
MINING	20.27	20.77	17.10	49.5	52.1	50.8	1003.37	1082.12	868.68
CONTRACT CONST.	21.88	23.22	21.82	44.2	43.4	47.3	967.10	1007.75	1032.09
MANUFACTURING	12.65	12.08	10.38	38.1	34.6	47.2	481.96	417.97	489.94
Food & Kindred Prod.	9.03	8.73	7.84	33.1	30.4	55.1	298.89	265.39	431.98
Lumber & Paper Prod.	14.81	14.34	13.90	44.3	38.1	38.9	656.08	546.35	540.71
TRANS., COMM. & UTIL.	14.77	14.03	13.22	37.9	39.3	38.8	559.78	551.38	512.94
TRADE	9.48	9 52	9.20	34.3	33.8	35.5	325.16	321.78	326.60
Wholesale Trade	11.82	12.11	11.24	37.1	36.5	42.9	438.52	442.02	482.20
Retail Trade	8.48	8.50	8.35	33.2	32.9	33.1	281.54	279.65	276.38
FINANCE, INS. & R.E.	--	--	--	--	--	--	330.13	330.38	294.56

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[1] Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

[2] Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC TRENDS

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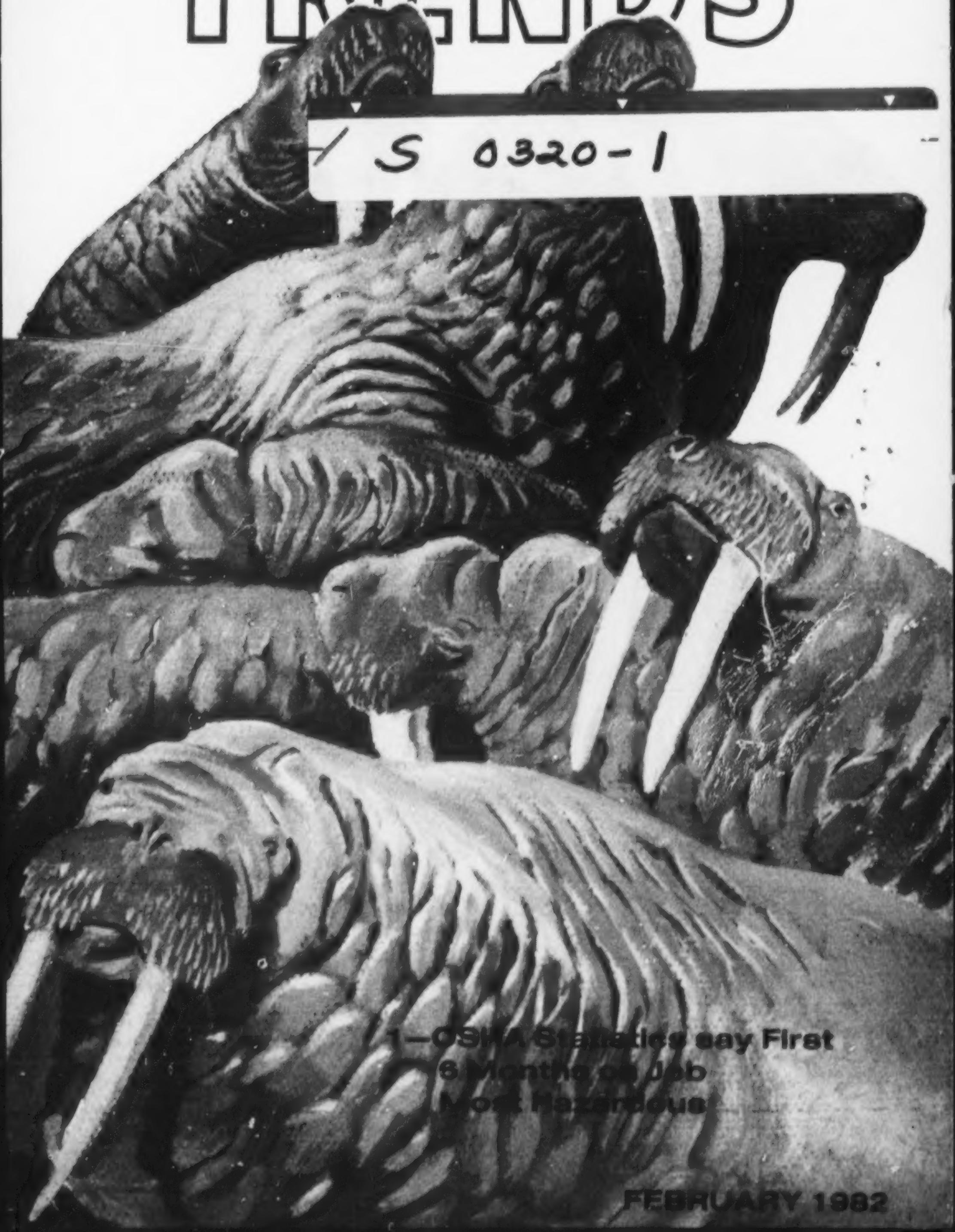
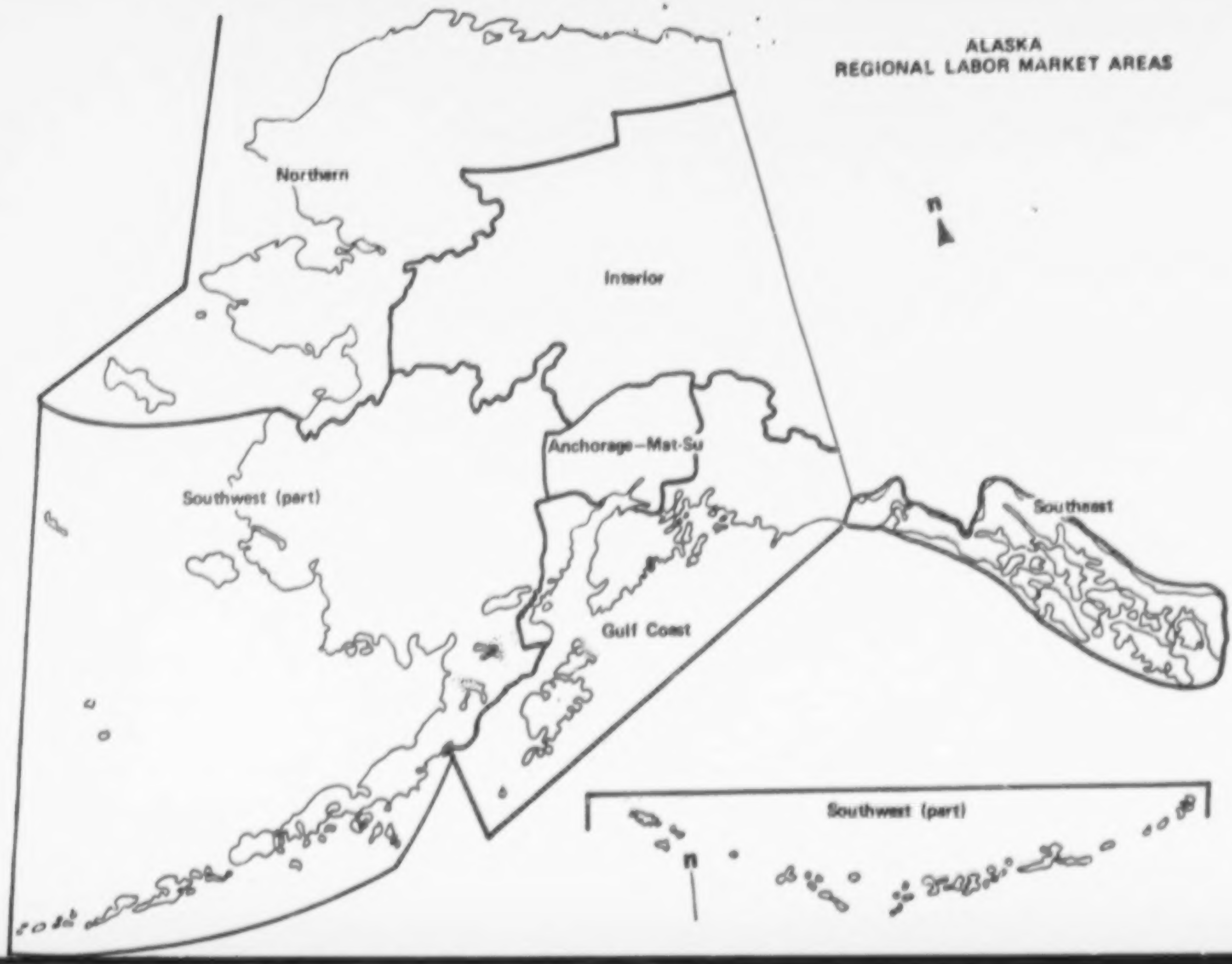


1—OSHA Statistics say First 6 Months on Job Most Hazardous

FEBRUARY 1982



ALASKA
REGIONAL LABOR MARKET AREAS

Northern
Interior
Anchorage–Mat-Su
Southwest (part)
Southeast
Gulf Coast
Southwest (part)
n
n

ALASKA ECONOMIC TRENDS

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OSHA - AN OVERVIEW

By James Wilson

Just over a decade ago Congress passed the Occupational Safety and Health Act of 1970. The new law gave the federal government the authority to set and enforce safety and health standards for most of the nation's workers, the first comprehensive national program of its kind. The agency which is the progeny of this law, the Occupational Safety and Health Administration (OSHA), has been a source of controversy. Nine years of statistical information now exists on work injuries and illnesses. This information can be used to review the experience with on-the-job accidents since the inception of the government's new safety program.

One of the purposes of the OSH Act of 1970 was "—encouraging the states to assume the fullest responsibility for the administration and enforcement of their occupational safety and health laws—". To accomplish this the act provided that shared funding would be available to states which developed an approved plan for a program. An acceptable program is one which is at least as effective as the federal OSH Act. Since then many states have adopted and administer safety programs of their own. In December 1972, Alaska submitted its plan which received approval. State legislation which basically mirrors the OSH Act of 1970 was passed and signed into law in April 1973. The duties and responsibilities of the Alaska Department of Labor's existing safety section were expanded to meet the scope of the new state program.

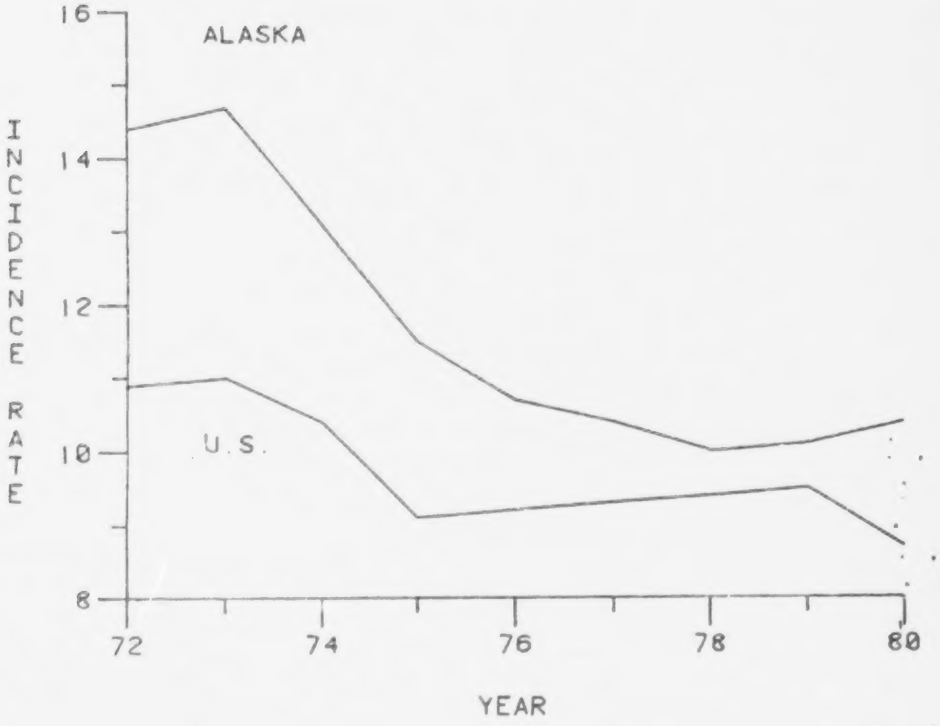
ACCIDENT RATES, U.S. AND ALASKA

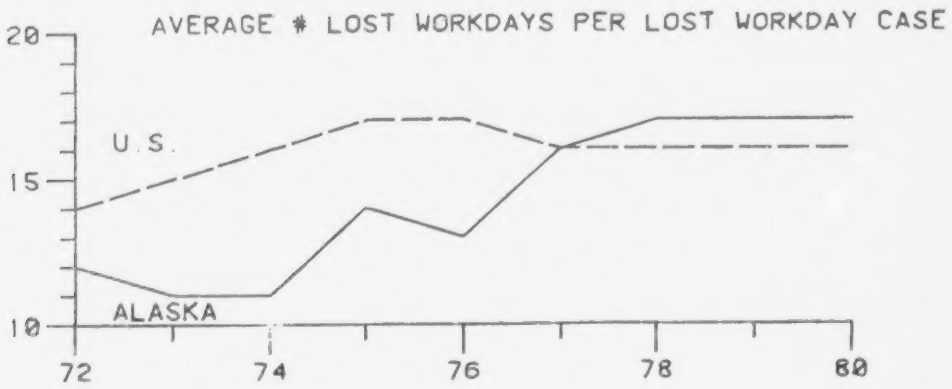
The incidence rate for occupational injuries and illnesses in private industry has declined appreciably, both nationally and in Alaska, since 1972. The U.S. rate of 8.7 cases per 100 workers recorded in 1980 represents a total drop of 20.2 % from the rate of 10.9 in 1972. However, from 1976 to 1979 the national incidence rate showed a slight but steady increase each year. Only in 1980 was this trend broken when the lowest rate to date was recorded. Over the nine year period from 1972 to 1981, Alaska's private sector incidence rate fell from 14.4 to 10.4, a decrease of 27.8 %. Alaska's rate declined steadily from 1973 to 1978. Nearly identical rates were experienced in 1978 and 1979. In 1980 the state had a slight increase in the rate, the first in 8 years.

The occupational injury and illness incidence rate is the sum of 2 parts; the rate for cases resulting in lost workdays, and the rate for cases not involving lost workdays. Since time loss cases are generally more serious, the lost workday case rate constitutes a measure of the more severe injuries and illnesses. The total decline in the overall U.S. injury and illness rate from 1972 to 1980 is the result of a 38.2 % decrease in the rate for cases without lost worktime. Over the 9 year period the U.S. rate for lost time cases has slowly but steadily risen for a total increase of 21.2 %. The manufacturing industries experienced the greatest rate of increase in the lost workday case rate. According to the Bureau of Labor Statistics, accident rates generally can be expected to rise as industry employment levels increase. The only times the U.S. lost workday case rate showed declines were in 1975 and 1980 when higher risk industries experienced significant losses in employment levels.

In Alaska the overall decline in the incidence rate for the private sector has been greatly determined by the drop in the rate for cases not involving lost worktime. The injury and illness incidence rate for cases not involving lost time was 5.1 in 1980, a decline of 44 % from the 1972 rate of 9.1. Unlike the U.S., however, the lost time case rate has not increased. The Alaska private sector lost workday case rate for 1980 was 5.3 cases per 100 full-time workers, the same level as in 1972. From 1977 to 1979, the rate had held at its lowest recorded level of 5.0. Most of the rise in the lost time case rate for 1980 was due to a single unusual occurrence at a cannery where 122 lost workday

INCIDENCE RATE TRENDS, ALASKA & U.S.





cases resulted when workers became ill from contaminated drinking water. Between 1972 and 1980 employment in Alaska's private industries increased by 86 %. A fairly stable lost workday case rate during a period of growth could be viewed as an achievement. State of Alaska safety program officials say that holding down the rate of serious accidents is just as much an accomplishment as decreasing the overall injury and illness rate.

The average number of days lost from work due to a time-loss injury has changed since 1972. For the U.S. as a whole the average number of days lost has risen only slightly since 1972. An average of 14 days was recorded in 1972 compared to 16 days for the last 4 years. This fairly stable average has been maintained during a period in which the lost time accident rate has steadily risen. In Alaska, on the other hand, the rise in the average number of days lost has been somewhat greater. The state's private sector average increased from 12 days in 1972 to its current level of 17 days where it has held for the last 3 years.

The rise in Alaska's average number of days lost has occurred even though the lost workday injury rate has remained stable. The liberalization of Alaska's Workers' Compensation benefits in 1975 may have influenced the upward shift in the average number of days lost per case. It would seem questionable that the time loss accidents would have become more severe. Fortunately the average number of days lost seems to be stable now, both nationally and in Alaska.

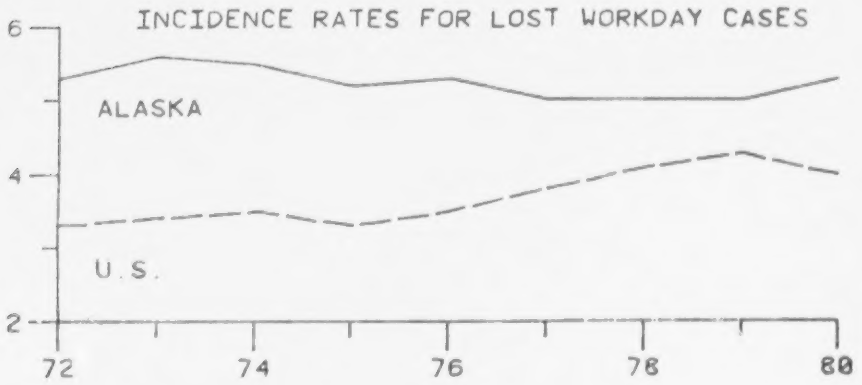
PORTRAIT OF JOB ACCIDENTS

In addition to the incident rate data, there exists 4 years of time loss case information from Alaska's Workers' Compensation files to describe the characteristics of work injuries and illnesses. Following is a brief portrait of Alaska's job accidents.

Only 3 to 4% of all cases reported are occupational illnesses, the majority of these being skin conditions mostly in seafood processing. Less than one-half of all cases result in lost time past the day of injury. The average number of workdays lost per time loss case since 1978 is 17. Women account for less than 20% of the reported time loss claims in Alaska while they account for approximately 45% of the work force. Manufacturing industries lead all others in the number of claims filed. Craftsmen, operatives, and laborers are the occupational groups experiencing the most injuries, with nearly two-thirds of the claims.

For all time loss cases the back is the most frequently injured part of the body, with sprains and strains the most common result. Overexertion now accounts for 25% of all time loss injuries. Working surfaces (usually floors or the ground) are the source of injury in 20% of time loss cases, which nearly always result from falls. August is the peak month for injuries. Accidents occur most frequently on Monday, while Friday is the most injury free day of the regular work week. Over one-fourth of all accidents involve workers under 25 years of age. This age group comprised 19% of the work force in the 1970 census. Over one-half of all injuries involve employees who have been on the job one year or less and roughly 40% of all injuries occur during an employee's first six months on the job. In construction and manufacturing at least 25% of all time loss injuries involve workers who are in their first month on the job.

Any examination of accident statistics for evaluating the success of a safety program must bear one point in mind; some accidents are not within the control of legislation or rules. Some accidents will occur regardless of occupational safety efforts. For example, over one-half of all work related deaths in



Alaska result from aircraft and motor vehicle accidents. These are not controllable by federal or state OSHA regulations. Also some common types of injuries such as many sprains and strains will not be prevented by safety regulations. Unfortunately, there is no data to discern what percentage of industrial accidents could not have been prevented by safety legislation or enforcement. One point is certain. For a safety program to succeed there must be a commitment by the employer. Management must be actively involved with safety issues and there should be a safety ethic which is promoted by the employer and shared by the workers.

Statistical data on the national work-related accident rate since the inception of OSHA shows mixed results. OSHA, however, is even now undergoing substantial changes. Recently, under the Carter administration's efforts to streamline government, OSHA was one of the first agencies to review its regulations and eliminate those it considered unnecessary. President Reagan's new assistant secretary for Occupational Safety and Health is instituting further change in the agency. He feels that there has been an adversarial relationship between OSHA and industry which he would like to change to one of cooperation in achieving the goal of improved safety. New measures of effectiveness are being developed by OSHA managers for each of its program areas and also for evaluating state administered programs. Incidence rate levels will be an integral part of the effectiveness criteria.

Statistical information on Occupational Injuries and Illnesses in Alaska is published annually in the following reports: *Occupational Injury and Illness Survey* and *Work Injuries and Illnesess.* Additional unpublished data is also available. For copies of publications or further information, contact James Wilson (phone 465-4520) at the Alaska Department of Labor, Research and Analysis Section, P. O. Box 1149, Juneau, AK 99811.

ALASKA LABOR FORCE IN DECEMBER

By Brit Harvey

Statewide nonagricultural wage and salary employment in December was 176,100, a 2,900 job decline from November. Seasonally adjusted employment increased 2.3% in December, the third consecutive monthly advance. On a seasonally adjusted basis, Alaska employment increased 5.6% since September. The actual employment gain from December, 1980 to December 1981 was 12,200, or 7.3%. Nonagricultural wage and salary employment is generally considered the most important single economic statistic at the state level. Inferring from recent employment data, Alaska's economy is now one of the fastest growing in the country.

The oil and gas sector added 100 jobs in December, a 1.7% increase. The increase was in the Northern region.

The oil and gas industry is the driving force behind Alaska's economy, accounting directly and indirectly for at least one out of every three jobs.1/ Although oil and gas are closely related products usually considered as one industry, they exhibit markedly different economic characteristics. With the exception of the declining Cook Inlet gas fields, the Alaska petroleum industry is oil-based. Several gas projects, led by the gas pipeline, are currently proposed. A brief look at the economics of gas helps put these projects and their related economic and employment effects in perspective.

1/ Eliot Wetzler Alaska Economic Information and Reporting System Quarterly Report, Oct. 1981, p. 4.

The fundamental dissimilarity of oil and gas economics results in apparent paradoxes. The Alaska oil pipeline, despite a 1000% construction cost overrun, is one of the world's most lucrative enterprises. Why then is gasline financing so problematic? Why is the State of Alaska receiving pressure to provide gasline financing, but nobody invited the state to participate in the oil pipeline? Why does OPEC, which holds gas reserves approximately equivalent to its oil reserves, produce only 4% of the world's gas?

The U.S. is the world's largest gas producer, with 569 billion cubic meters (bcm) of production in 1980.[2] The Soviet Union followed with 435 bcm, and was the world's larest exporter, with 57.3 bcm. The Netherlands, the leading exporter during the late 1970's, followed with 51.5 bcm exported. Other major exporters are Norway and Canada.

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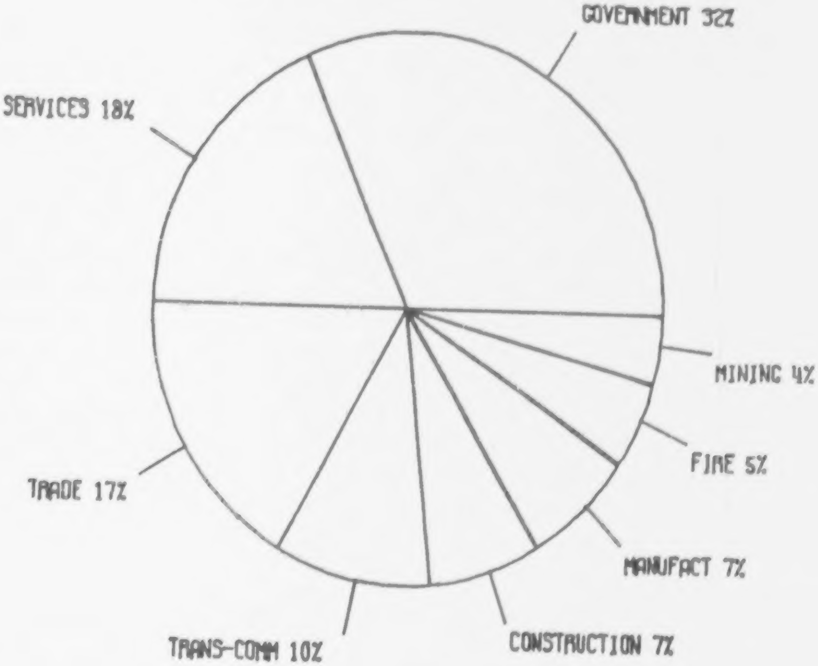
[2] *Petroleum Economist, August 1981, p. 337.*

1981 ANNUAL AVERAGE EMPLOYMENT



The Soviet Union holds 39.2% of the world's proven gas reserves. Iran, with 14.2%, holds the next most plentiful reserves. Other Middle Eastern nations also hold substantial reserves. U.S. reserves are 7.3% of the world total. World production declined in 1980. U.S. production has declined every year since 1972. U.S. reserves were 37% smaller in 1980 than 1970, as production exceeded discoveries. Soviet reserves tripled during the period.

Oil, due to relatively low transportation costs and widespread demand, is produced for the world market. Prices exhibit a high degree of uniformity and production, transportation, refining and retailing are controlled by the OPEC cartel and a relatively small number of very large, multinational, vertically integrated corporation.

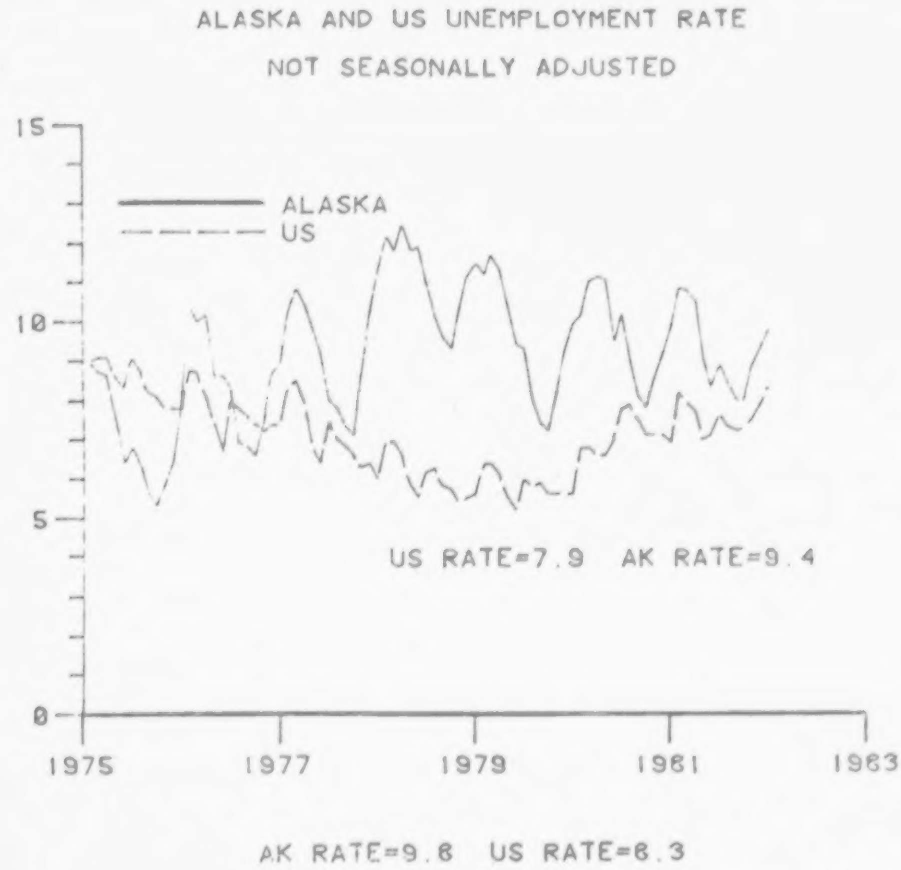
Natural gas is difficult to transport, does not enjoy the near universal demand of oil products, and is sold under varying prices. Due primarily to transportation costs, most gas production has occurred close to major consumption centers. North America and Europe have both produced and consumed most of the world's gas. Gas produced far from markets is usually a pollutant coincident with oil production rather than a resource. Nigeria, an important oil exporter, flares (waste burns) 96% of its gas production. Fifty-eight percent of all Middle East gas is flared.

As gas fields close to consumption centers are depleted and new fields become more elusive and expensive to find, attention has focused on bringing outlying gas to markets. The Alaska gasline is one facet of this worldwide phenomenon. Other similar projects include the Yamal gasline from Siberia to Western Europe, the British North Sea gas gathering line, the Bonny gas field development in Nigeria, expanded Algerian LNG tanker facilities, and proposed development of Persian Gulf gas export capacity. All of these projects are capital intensive, and all have encountered financial or political difficulties. The Alaska gasline proposal and its current cost and capital problems are not unique. High interest rates, declining demand for gas, declining oil demand and prices, and a questionable outlook for gas achieving btu price parity with oil all cast shadows over the viability of these gas projects.

Within the U.S., Alaska gas marketing prospects are complicated by the bizarre market distortions created by the

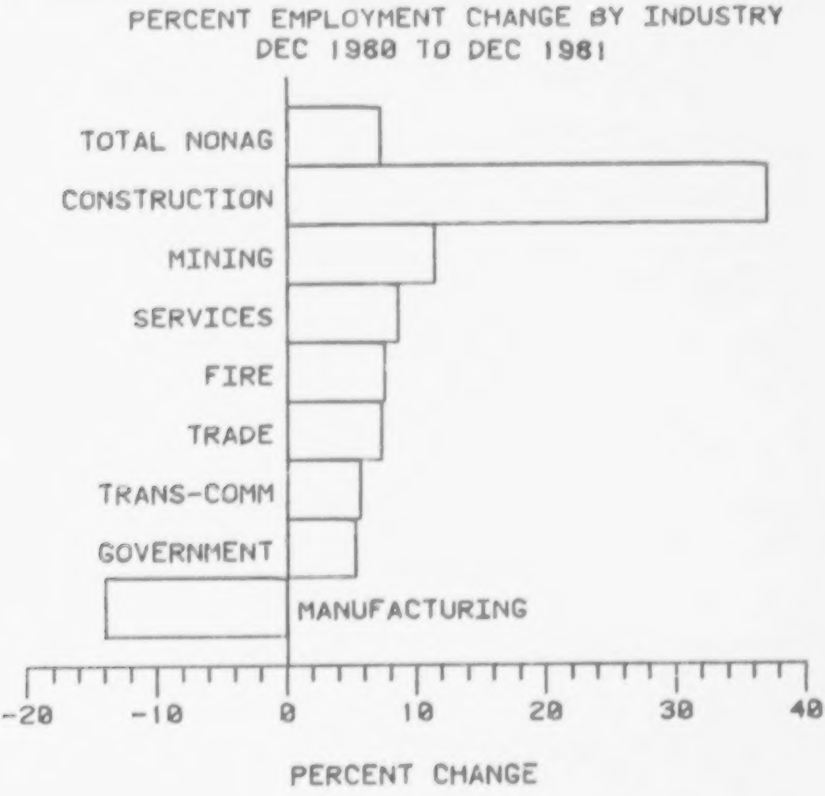
Natural Gas Policy Act of 1978, which regulates gas prices, and public utilities commissions rulings. Although a detailed discussion of the complexities of government regulation of gas prices is beyond the scope of this article, several points are germane. Wellhead prices of gas produced in the U.S. vary from the btu equivalent of $17/barrel of oil to $57/barrel. Current regulations encourage exploration for "deep gas" from sub-15,000 ft. deep fields while more accessible gas closer to the surface is less profitable. Price structures vary depending on whether gas is piped across state lines. The Reagan administration supports accelerated price decontrol. A windfall profits tax on deregulated gas is possible, and it might apply to State of Alaska royalty gas.

The result of the confusing and highly politicized domestic gas



pricing structure is uncertainty. Marginally viable projects such as the gasline become riskier and financing is inhibited. The combination of Alaska's remote gas fields and uncertain domestic demand and pricing render development of Alaska's gas resources a questionable proposition, unlike Alaska's oil resources.

December construction employment declined by 1500 jobs, accounting for more than half of the overall drop. Despite this decline, construction employment continued its spectacular growth when seasonally adjusted. Over one-quarter of 1981 job growth was in construction, yet construction accounts for only 6.8% of nonagricultural employment. The year-to-year increase of 37% was more than triple that of any other industry (see graph).



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	[P]	[R]		CHANGES FROM:	
	12/81	11/81	12/80	11/81	12/80
Nonag. Wage & Salary	176100	179000	163900	-2900	12200
Mining	7500	7600	6700	-100	800
Construction	11900	13400	8700	-1500	3200
Manufacturing	7900	8900	9300	-1000	-1400
Food & Kindred Prod.	3200	3900	4200	-700	-1000
Lumber & Paper Prod.	2000	2200	2500	-200	-500
All Other Mfg.	2700	2800	2600	-100	100
Trans. Comm. & Util.	17400	17600	16300	-200	1100
Trucking & Whseing.	2300	2100	1700	200	600
Water Transportation	900	1200	1100	-300	-200
Air Transportation	5300	5400	5100	-100	200
Other Transportation Comm. & Utilities	8900	8900	8400	0	500
Trade	32100	32000	29800	100	2300
Wholesale Trade	6500	6300	5400	200	1100
Retail Trade	25600	25700	24400	-100	1200
Gen. Merchandise & Apparel	4200	4100	4600	100	-400
Food Stores	4500	4500	4000	0	500
Eating & Drinking Places	8800	9000	7800	-200	1000
Other Retail Trade	8100	8100	8000	0	100
Finance-Ins. & R. Estate	8700	8800	8100	-100	600
Services & Misc.	31400	31700	28900	-300	2500
Government	59200	59000	56100	200	3100
Federal Government	17800	17600	17900	200	-100
State Government	17200	17100	15900	100	1300
Local Government	24200	24300	22300	-100	1900

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

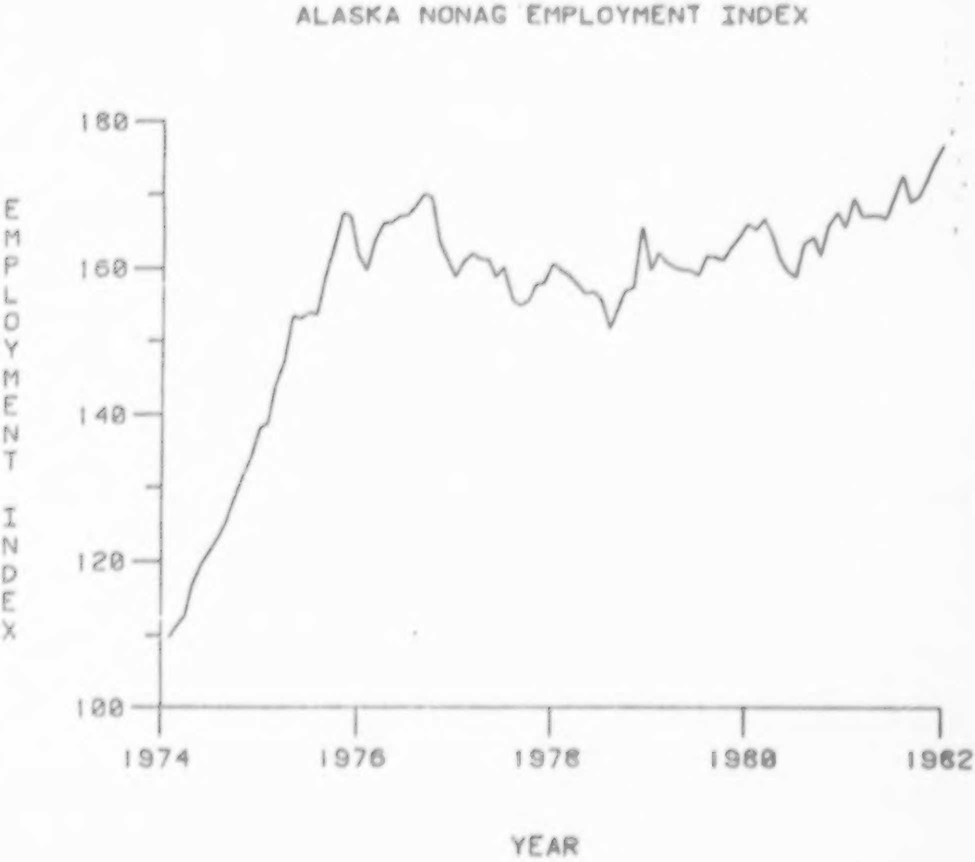
[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

While construction employment benefited from numerous projects, an Anchorage office construction boom was particularly important. Office construction, unlike residential construction, was strong elsewhere in the country as well.

Both main components of manufacturing, seafood processing and forest products, exhibited weakening employment, both for the month and the year. Manufacturing employment was down 10.3% in December and 14.0% compared to last year.

Government employment remained stable in December. In 1981 state and local government employment expanded 8.2%, while federal employment declined 1.0%. The greatest percentage increases were registered in educational employment at both the state and local level.



The secondary industries displayed expected December changes. All were down slightly except trade, which increased employment by 100 jobs due to holiday buying.

The current surge of economic growth is apparently exacerbating the gap between the state's "have" and "have-not" regions. Oil is driving an overall expansion, but the regional effects are uneven. Primary beneficiary is Anchorage, with the Northern region and Juneau also enjoying economic stimulation. Elsewhere, double-digit unemployment reigns. Southeast, excepting Juneau, is suffering a 14.7% unemployment rate, rather high for a region in a state generally considered to be in the midst of a boom. Interior and Gulf Coast are also displaying unemployment rates close to double Anchorage's. A brief look at the nonagricultural employment indexes for Anchorage and Fairbanks reveals this dichotomy.

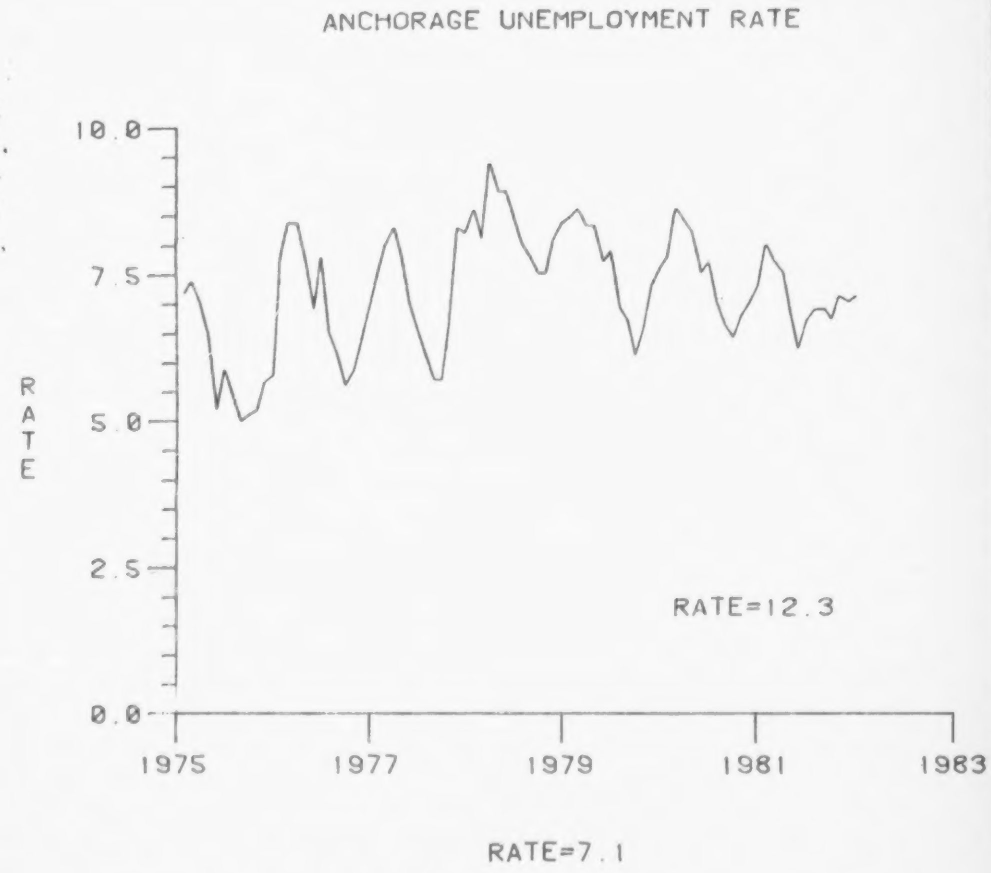
ANCHORAGE-MATSU LABOR FORCE IN DECEMBER

BY Greg Huff

December's labor force statistics for the Anchorage-MatSu labor market area continued to reflect the seasonal downturn; employment levels declined, unemployment increased (to 7.7%) and labor force participation declined. Looking strictly at Anchorage's labor force statistics, Anchorage had one of the lowest unemployment rates in the state, registering at 7.1%. MatSu's unemployment increased 6 percentage points over the previous month to 12.6%.

In line with the labor force statistics, Anchorage's nonagricultural employment declined by 1450 jobs (1.7%), settling at 86,000. The decrease was smaller than usual for December, which was conveyed in an increase in the seasonally adjusted nonagricultural wage and salary employment index. The index recorded an all time high of 181.6. Seasonal declines were seen throughout the economy except for trade, retail trade employment increased for the Christmas season by 200 jobs. Construction represented the bulk of the overall decrease in employment dropping by 1050 jobs (13.8%) Despite this decline, construction employment and activity remain above normal levels. Generally, the Anchorage economy is experiencing less than typical seasonal declines.

Shifting to the year end picture, Anchorage experienced a turn around from the post pipeline doldrums. The sluggishness of the Anchorage economy for the past three years gave way to a strong and healthy economy. From 1978 through 1980, employment grew a languid 1.5%, this year a dynamic 6%. This can be compared to 1976-1977 growth. Further comparisons show that the nonagricultural employment index advanced in 1981 by the largest margin in a single year since 1975. Reflecting the unusually strong last quarter of this year—the seasonally adjusted index rose 2.2% from September through December as compared to 1.4% for the same period in 1975. The impetus that was the most noticeable came from construction, both residential and commercial. While the less obvious, but more important and encompassing influence came from the infusion of oil money into the economy.



LABOR FORCE BY REGION AND CENSUS DIVISION

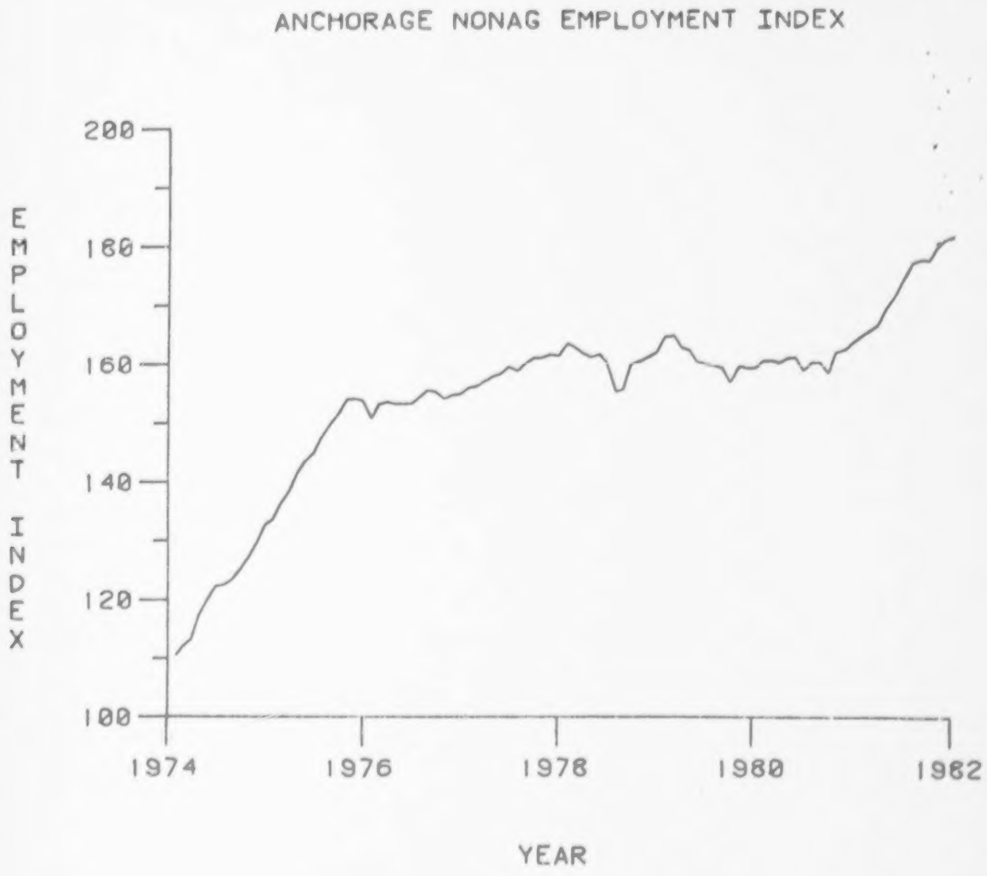
	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	12/81	11/81	12/80	12/81	11/81	12/80	12/81	11/81	12/80	12/81	11/81	12/80
Alaska Statewide	194219	195914	182009	18971	18427	18075	9.8	9.4	9.9	175248	177487	163934
Anch.-MatSu Region	99302	100200	89182	7617	7492	7100	7.7	7.5	8.0	91685	92708	82082
Anchorage	89227	90083	80038	6343	6274	5835	7.1	7.0	7.3	82884	83809	74203
Matanuska-Susitna	10075	10117	9144	1274	1218	1265	12.6	12.0	13.8	8801	8899	7879
Gulf Coast Region	21127	21726	20813	2742	2873	2762	13.0	13.2	13.3	18385	18853	18051
Cordova	1139	1166	1109	138	139	126	12.1	11.9	11.4	1001	1027	983
Kenai	10811	11086	10567	1518	1557	1443	14.0	14.0	13.7	9293	9529	9124
Kodiak	4566	4731	4508	561	624	575	12.3	13.2	12.8	4005	4107	3933
Seward	1533	1585	1511	251	271	253	16.4	17.1	16.7	1282	1314	1258
Valdez	3078	3158	3118	274	282	365	8.9	8.9	11.7	2804	2876	2753
Interior Region	25836	25894	24721	3428	3211	3230	13.3	12.4	13.1	22408	22683	21491
Fairbanks	21042	21091	20027	2791	2616	2523	13.3	12.4	12.6	18251	18475	17504
Southeast Fairbanks ...	2120	2114	2036	261	232	253	12.3	11.0	12.4	1859	1882	1783
Upper Yukon	584	586	609	77	73	123	13.2	12.5	20.2	507	513	486
Yukon-Koyukuk	2090	2103	2049	299	290	331	14.3	13.8	16.2	1791	1813	1718

Northern Region	8726	8795	8234	607	628	675	7.0	7.1	8.2	8119	8167	7559
Barrow-North Slope	2535	2573	2342	144	168	116	5.7	6.5	5.0	2391	2405	2226
Kobuk	2551	2561	2429	210	206	249	8.2	8.0	10.3	2341	2355	2180
Nome	3640	3661	3463	253	254	310	7.0	6.9	9.0	3387	3407	3153
Southeast Region	29256	29057	28695	3618	3271	3292	12.4	11.3	11.5	25638	25786	25403
Angoon	451	450	472	51	48	76	11.3	10.7	16.1	400	402	396
Haines	1084	1063	1126	134	108	185	12.4	10.2	16.4	950	955	941
Juneau	9923	10026	9857	778	828	795	7.8	8.3	8.1	9145	9198	9062
Ketchikan	6392	6085	5956	1144	807	757	17.9	13.3	12.7	5248	5278	5199
Outer Ketchikan	1012	1050	993	162	195	151	16.0	18.6	15.2	850	855	842
Prince of Wales	1585	1586	1611	186	179	224	11.7	11.3	13.9	1399	1407	1387
Sitka	4026	4027	3950	428	408	385	10.6	10.1	9.7	3598	3619	3565
Skagway	1668	1680	1644	219	222	208	13.1	13.2	12.7	1449	1458	1436
Wrangell-Petersburg	3115	3090	3086	516	476	511	16.6	15.4	16.6	2599	2614	2575
Southwest Region	9972	10242	10364	959	952	1016	9.6	9.3	9.8	9013	9290	9348
Aleutian Islands	2265	2312	2340	141	122	137	6.2	5.3	5.9	2124	2190	2203
Bethel	3348	3458	3484	404	424	431	12.1	12.3	12.4	2944	3034	3053
Bristol Bay Borough	400	413	412	36	38	34	9.0	9.2	8.3	364	375	378
Bristol Bay	1332	1354	1365	118	103	106	8.9	7.6	7.8	1214	1251	1259
Kuskokwim	1006	1048	1033	126	141	120	12.5	13.5	11.6	880	907	913
Wade Hampton	1621	1657	1730	134	124	188	8.3	7.5	10.9	1487	1533	1542

^{P}Preliminary ^{R}Revised 1980 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

But even with the increased economic activity and sharp advances in employment, the atmosphere for the job seeker has not improved much. Overall, the number of people seeking work has expanded faster than job growth leaving the remainder unemployed. The labor force has expanded by more than 11%, while employment has grown 10%. Throughout the summer and fall the unemployment rates registered marks above or equal to 1980 levels. This phenomenon can generally be explained by the following: 1) Many previously discouraged workers who had dropped out of the labor force rejoined the labor force because of renewed optimism in the job market. A person is considered unemployed only as long as he or she is available and actively seeking work, if they are not, they are considered discouraged and are not included in the labor force; 2) Immigration from the lower 48 and other parts of



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	12/81[P]	11/81[R]	12/80	11/81	12/80
Nonag. Wage & Salary	86000	87450	77600	-1450	8400
Mining	3200	3250	2350	-50	850
Construction	6550	7600	4550	-1050	2000
Manufacturing	1750	1850	1550	-100	200
Food & Kindred Prod.	300	300	250	0	50
Other Mfg.	1450	1550	1300	-100	150
Trans. Comm. & Util.	8450	8550	7800	-100	650
Trucking & Whseing.	1150	1150	950	0	200
Water Transportation	400	450	300	-50	100
Air Transportation	3050	3050	3000	0	50
Other Transportation Comm. & Utilities	3850	3900	3550	-50	300
Trade	19100	18900	17050	200	2050
Wholesale Trade	4550	4550	4000	0	550
Retail Trade	14550	14350	13050	200	1500
Gen. Merchandise	2100	2050	1950	50	150
Food Stores	2150	2150	1800	0	350
Eating & Drinking Places	4750	4800	4250	-50	500
Other Retail Trade	5550	5350	5050	200	500
Finance-Ins. & R. Estate	5850	5950	5250	-100	600
Services & Misc.	17650	17850	16350	-200	1300
Government	23450	23500	22700	-50	750
Federal	9800	9800	9650	0	150
State	5900	5900	5350	0	550
Local	7750	7800	7700	-50	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

Alaska. Population growth in the Anchorage-Matsu region from April 1, 1981 (census date) to July 1, 1981, is estimated to be about 7,600 persons. With the recession in the lower 48, immigration can be expected to continue, particularly from the Northwest. As a result, even with the continued strong economic expansion, the job market for the job seeker is not likely to improve much in 1982. The key words here are keen competition.

On the inflation front; inflation, as measured by the consumer price index fell below the double digit levels of the previous two years. In 1979 and 1980 the CPI rose 10.4% and 10.3%. This year, prices rose an average of 8.2%. Every category of the index registered lower marks than last year, except for entertainment, which rose 2.4 percentage points above 1980.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ANCHORAGE-MATSU

				CHANGES FROM:	
	12/81[P]	11/81[R]	12/80	11/81	12/80
Nonag. Wage & Salary	89600	90950	80600	-1350	9000
Mining	3300	3300	2400	0	900
Construction	6800	7900	4700	-1100	2100
Manufacturing	1800	1950	1550	-150	250
Trans. Comm. & Util.	8800	8950	8100	-150	700
Trade	19900	19600	17750	300	2150
Finance-Ins. & R. Estate	5950	6000	5400	-50	550
Services & Misc.	18100	18250	16800	-150	1300
Government	24950	25000	23900	-50	1050

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

FAIRBANKS/INTERIOR LABOR FORCE IN DECEMBER

By Neal Fried

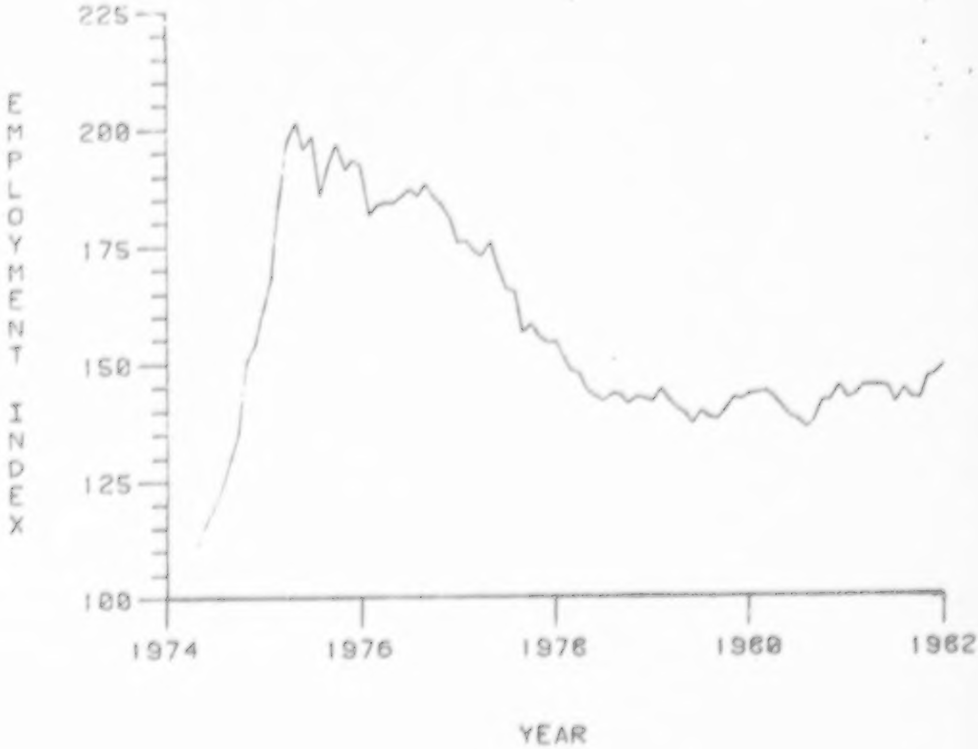
During the past five years, Fairbanks has gone through two basic phases, one of descent, and then stabilization. During 1981 a new dimension was added, when the economy began to waken again, and actually went on to ascend. Almost all economic indicators point to this growth. Employment for the first time in six years grew by 2.5 %. The wage and salary index, which purges seasonality and measures only real growth, grew by nearly four points in 1981. Virtually all other indicators also pointed upwards. According to statistics collected by the Fairbanks' Community Research Center, bank deposits and sales in almost all categories grew in 1981. Building permits issued in Fairbanks doubled over the past year's level—reaching over 600 permits.

Like employment, population also grew in Fairbanks during 1981. The Department of Labor estimated the North Star Borough's population at 58,313, an increase of 4,330 people in 1981. Most of this increase came from in-migration. Many of these new residents came to Fairbanks seeking work because they had become victims of the recession occuring in much of the remainder of the country, particularly the Pacific Nortnwest. They often have the perception that work opportunities in Alaska are limitless with large monetary rewards. Seasonal summer in-migration is not uncommon in Fairbanks, but this year experienced in-migration during the winter as well as summer season. Though employment grew in 1981, the number of job seekers grew more rapidly than new jobs. The unemployment rate during the first months of the year fell below 1980 figures, but during the last six months it began to climb above year-ago rates. This has meant that Fairbanks' improving economic picture does not necessarily bring solace to all job seekers in Fairbanks' labor market. The unemployment rate continues to remain significantly above the state's and nation's rate. The labor market continued to remain out of balance, with more people seeking jobs, than there were new jobs. Without the growth in employment which did occur, the job picture could have been more out of balance.

The industries responsible for the growth in employment in Fairbanks, were construction, trade and government. Construction grew the most rapidly, increasing its employment by approximately 15 % over year-ago levels. This came largely from increased public construction funded by record legislative appropriations. This money went into a myriad of highway, street, sewer and building construction projects. With the exception of residential construction, which almost doubled in 1981, private construction continued to remain in the background in 1981.

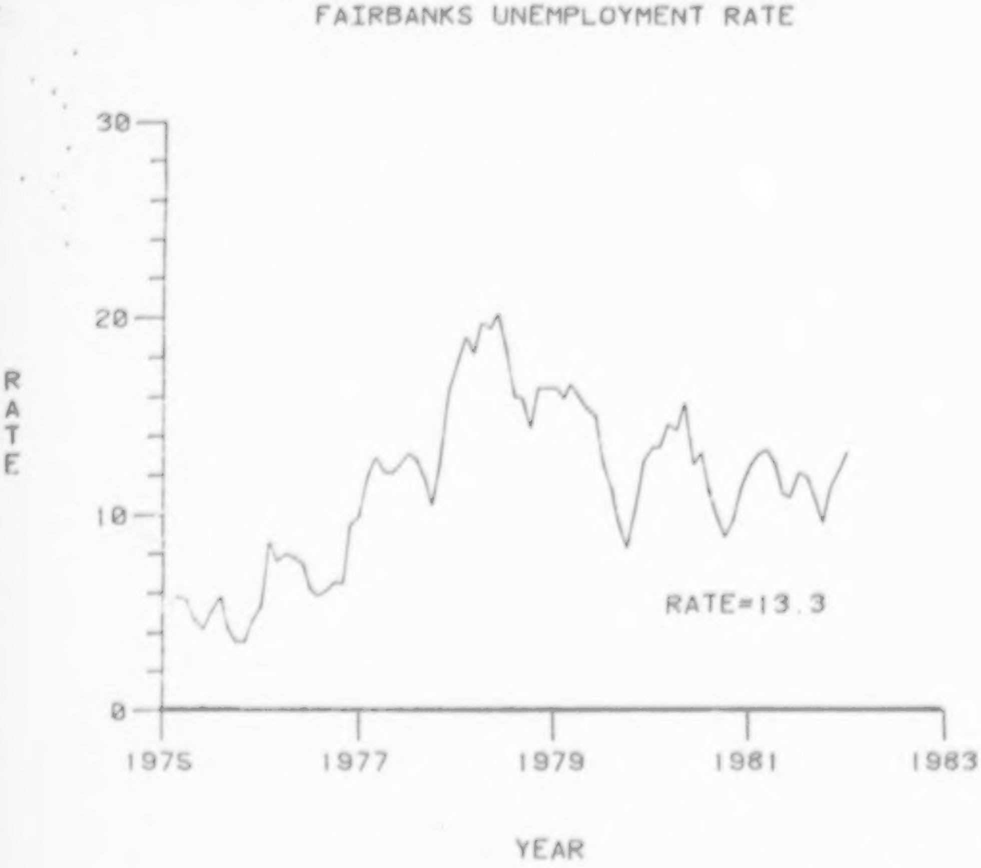
Employment gains in the trade industry came largely from increases in personnel levels in already existing firms. Some expanded their operations, but there were few new additions. The expansion came as employment in the basic sector grew

FAIRBANKS NONAG EMLOYMENT INDEX



and people had more to spend. Sales in almost all trade categories grew over the year.

Growth in government (4.6 %) occurred in all levels of government. Despite the fact that there have been federal cutbacks, they have fallen upon the civilian agencies and not the military. In Fairbanks, the military has a large presence and they began to experience some increases towards the latter part of this year. The Department of Labor's federal employment statistics include only civilian employment, but this has increased slightly because civil service personnel have been added on at both Eielson AFB and Fort Wainwright. This increase in civil service personnel has made up for losses experienced in the remainder of the federal sector—causing federal employment to grow by approximately 3.8 %. State government made the



largest gains in 1981 (6.5 %) as new positions were added as a result of an expanded budget. The University of Alaska (which is included in the state employment statistics) faculty and staff also made gains in 1981, possibly in response to a rapidly expanding enrollment (12 %) on the Fairbanks campus. Local government increased slightly (2.5 %), as state revenues flowing to local governments grew.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK FAIRBANKS

				CHANGES FROM:	
	12/81[P]	11/81[R]	12/80	11/81	12/80
Nonag. Wage & Salary	21550	21950	20450	-400	1100
Mining	50	50	50	0	0
Construction	1600	1850	1250	-250	350
Manufacturing	450	450	650	0	-200
Trans. Comm. & Util.	2600	2600	2400	0	200
Trucking & Whseing.	400	400	300	0	100
Air Transportation	650	650	550	0	100
Other Trans. Comm. & Utilities	1550	1550	1550	0	0
Trade	4000	4050	3800	-50	200
Wholesale Trade	700	650	700	50	0
Retail Trade	3300	3400	3100	-100	200
Gen. Merchandise & Apparel	450	450	450	0	0
Food Stores	600	600	550	0	50
Other Retail Trade	2250	2350	2100	-100	150
Finance-Ins. & R. Estate ..	750	750	750	0	0
Services & Misc.	3800	3850	3600	-50	200
Government	8300	8350	7950	-50	350
Federal	2350	2400	2250	-50	100
State	3600	3600	3500	0	100
Local	2350	2350	2200	0	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

Two industries whose impact cannot be accurately measured also provided additional stimulus to Fairbanks' economy. Tourism, an industry which affects many of Fairbanks' other industries, had a good season this year, with both tour operations and hotels reporting healthy gains in 1981. The continual expansion of North Slope operations has been a major contributor to Fairbanks' movement forwards in 1981. Though this employment is reported on the North Slope, many of Fairbanks' residents earn their living on the North Slope and spend their earnings in the local economy. Local vendors also do a good deal of business with contractors on the North Slope. These both provide indirect and direct economic stimulus to Fairbanks' economy.

The absolute amount of employment growth which took place in 1981 is not as important, as is the fact that employment grew for the first time in six years. This trend is not expected to end in 1981, but instead is expected to be the beginning of an employment trend upwards. 1982's prospects will be discussed in next month's article.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK INTERIOR

	P	R		CHANGES FROM:	
	12/81	**11/81**	**12/80**	**11/81**	**12/80**
Nonag. Wage & Salary	24750	25250	23850	-500	900
Mining	200	200	150	0	50
Construction	1700	1950	1300	-250	400
Manufacturing	600	650	800	-50	-200
Trans. Comm. & Util.	3400	3350	3200	50	200
Trade	4200	4250	4050	-50	150
Finance-Ins. & R. Estate	800	800	800	0	0
Services & Misc.	4150	4250	3950	-100	200
Government	9700	9800	9600	-100	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

THE GULF COAST'S LABOR FORCE IN DECEMBER

By Neal Fried

The Gulf Coast's see-sawing economy moved on the upswing this year. During the past two years, the region's economy was nearly totally void of any dynamics, but in 1981 signs of new economic activity began to show up. Employment grew, though modestly (1.5%), for the first time in two years. The unemployment situation, however, changed little. The annual unemployment rate for 1980 was 12.0% compared to a preliminary 1981 annual rate of 12.2%. The rate changed so little because the employment growth that did occur was modest and, therefore, was quickly absorbed by an increased number of jobseekers. This been a statewide phenomenon because as jobseekers from recession-hit states in the rest of the country have been coming to Alaska in ever greater numbers.

The gains in employment came from a number of industries in the region. The industry which grew the most was construction (14.0%). It has felt a surge statewide in 1981. The lion's share of the increase in construction can be attributed to growth in public construction financed by record high legislative appropriations. Highway, sewer-water and building construction levels came in above year-ago levels. Work also began on the expansion of the harbors in Cordova and Kodiak and work also commenced in Seward's new port facility and industrial park. Unlike many other areas of the state, the residential construction levels were almost identical with 1980's levels. The only community which experienced a real increase in residential construction was Soldotna—where the number of building permits doubled over year-ago levels.

Mining, services and government were the other major industries which caused employment to be pushed up above 1980's employment level. Mining grew (11.5 %) because drilling activity increased in the Kenai oil fields. Much of this drilling was undertaken to help recover additional reserves in already existing fields. Services grew in response to growth in the region's basic sectors, but also in response to a healthy tourist season in 1981. With Anchorage's economy on the rise, its residents spent more money on recreation this year. Since the Kenai Peninsula is Anchorage's most popularly frequented recreational area, it benefited from this. Government growth

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK GULF COAST

				CHANGES FROM:	
	12/81[P]	11/81[R]	12/80	11/81	12/80
Nonag. Wage & Salary	15250	15800	15100	-550	150
Mining	850	900	800	-50	50
Construction	800	950	650	-150	150
Manufacturing	2450	2700	2800	-250	-350
Food & Kindred Prod.	1700	1900	1850	-200	-150
All Other Mfg.	750	800	950	-50	-200
Trans. Comm. & Util.	1600	1650	1550	-50	50
Trade	2300	2300	2300	0	0
Wholesale Trade	350	350	300	0	50
Retail Trade	1950	1950	2000	0	-50
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2450	2500	2350	-50	100
Government	4350	4350	4200	0	150
Federal	500	500	550	0	-50
State	1350	1350	1300	0	50
Local	2500	2500	2350	0	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

came largely in state government, with local government remaining virtually stable and federal government falling slightly due to federal budget cutbacks.

The Gulf Coast's largest private sector industry, manufacturing, was one of the few industries which actually experienced losses. This was primarily due to smaller fish catches and a poor lumber season. Salmon harvests in the region in 1981 were above year-ago levels and were generally above average, but shellfish catches came in low, in large part due to a poor tanner crab season. The logging industry suffered a large blow all over the country because of the depressed housing market and the soft international market. The Kenai Lumber Mill in Seward shut down and the remainder of the operations either have closed down intermittently or have reduced their work force.

Despite the losses which occurred in the region's major industry, gains made in the other industries more than offset these losses. As did the economies in most of the areas of the state in 1981, the Gulf Coast region's economy felt the surge of increasing oil revenues spent on capital and other public expenditures.

SOUTHEAST LABOR FORCE IN DECEMBER

By Brit Harvey

Southeast nonagricultural wage and salary employment declined 1.3% in December to 25,400. Southeast, along with Gulf Coast, is not experiencing the rapid economic expansion characteristic of the state as a whole. 1981 saw an expansion in employment of only 1.8%. December unemployment was 12.4%, among the highest regional rates in the state. When Juneau is removed, Southeast is suffering 14.7% unemployment and little if any job expansion.

Construction employment, supported by heavy state spending, increased 17.6% in 1981. This increase is far below the state average, however. The strongest construction sector was building construction.

Forest products employment contracted further in December. The 1982 nationwide industry outlook is dismal. BusinessWeek predicts not only "painfully slow recovery" in the coming year, but "eroding" long-term demand for the 1980's as well.1/ Louisiana-Pacific, Alaska's largest forest products operator, and one of Southeast's largest non-government employers, experienced a $2.5 million loss fot its overall operations in the third quarter of 1981. Third quarter sales were down 15% from 1980, by far the largest decrease in sales for any major forest products corporation.2/ Although the Southeast forest products industry is effected only indirectly by lower-48 market conditions, declining nationwide industry fortunes don't help an Alaska industry in a depression of its own.

Government employment contracted in December, losing 50 jobs. Perhaps the most interesting government employment statistic was an over the year decline of 200, or 7.5%, in federal government employment.

Transportation, communication and utilities declined in December by 1.6%. Finance, insurance and real estate remained stable. Trade employment increased by 50, presumably due to holiday seasonal factors. Services increased 3.3%, with hotel and motel employment leading the way. The arrival of the legislature in Juneau may account for this increase.

While Alaska's economy is expanding rapidly, and by all indications will continue to do so for at least the next four or five years, Southeast may not share in this growth. Indeed, economic contraction is a real possibility for the 1980's. The capital move, hanging over Juneau's future as it has for years, combined with uncertain future prospects for the forest products industry, could easily result in 1990 Southeast employment below the current figure. This possibility underscores the uneven results of Alaska's current economic expansion.

1/ Business Week; Jan. 11, 1982; p. 94

2/ Business Week; Nov. 16, 1981; p. 118.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	12/81 ^{r}	**11/81** ^{R}	**12/80**	**11/81**	**12/80**
Nonag. Wage & Salary	25400	25750	24950	-350	450
Construction	1100	1300	950	-200	150
Manufacturing	2250	2500	2600	-250	-350
Food & Kindred Prod.	500	500	650	0	-150
Lumber & Paper Prod.	1500	1750	1700	-250	-200
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Util.	2450	2500	2400	-50	50
Trade	4000	3950	3800	50	200
Wholesale Trade	400	400	350	0	50
Retail Trade	3600	3550	3450	50	150
Finance-Ins. & R. Estate	1000	1000	1100	0	-100
Mining, Services & Misc.	3550	3400	3250	150	300
Government	11050	11100	10850	-50	200
Federal	2250	2250	2450	0	-200
State	4950	4900	4600	50	350
Local	3850	3950	3800	-100	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

^{r} Denotes preliminary estimates.

^{R} Denotes revised estimates.

HOURS AND EARNINGS IN DECEMBER

By Su Nelson

Contract construction exhibited a 4.5% increase in average hourly earnings. This was primarily due to large wage increases in heavy construction, with special trades and other construction remaining fairly stable. The 3.5% drop in average weekly hours nearly balanced this, resulting in little change in average weekly earnings.

The 20% drop in average weekly hours for food processing is due to seasonal shutdowns. The early crab closings accentuated this trend. Due to what we feel was an atypical situation in our sample that is not occurring in the industry as whole, the average hourly wage appears to have increased 8%. In truth, it probably was very close to last month's wage. Efforts to adjust our sample have been initiated with this month's data and will continue until a more appropriate level has been reached.

While logging camps are still laying off people, the average hourly earnings will appear to rise, as those employees still working are higher paid. This was the primary cause for the 4% increase in average hourly earnings for lumber and paper products. The drop of 6.5% is average weekly hours is due to all types of wood processing working shorter winter hours.

Transportation, communication and utilities experienced wage increases in several of its components, resulting in a 4% increase in average hourly wage and 15% increase over one year ago. The components showing the most over-the-month changes were rail, air, and water transportation, radio broadcasting, and electric, gas, and sanitary services.

Mining is evidently in full swing, or near to it, as the average weekly hours for that industry show a 7% increase. This falls into the regular seasonal trend.

Other industries showed fairly steady hours and earnings as compared to last month. However, as a sign of Alaska's growing economy, employee earnings in most industries are up from one year ago.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 11/81	r/ 10/81	11/80	p/ 11/81	r/ 10/81	11/80	p/ 11/81	r/ 10/81	11/80
MINING	20.46	20.27	18.07	53.0	49.5	49.4	1084.38	1003.37	892.66
CONTRACT CONST.	23.01	22.01	22.69	43.2	44.8	44.0	994.03	986.05	998.36
MANUFACTURING	13.23	12.73	11.06	34.1	38.3	33.0	451.14	487.56	364.98
Food & Kindred Prod.	9.64	8.93	7.46	26.3	33.1	27.7	253.53	295.58	206.64
Lumber & Paper Prod.	15.36	14.81	14.45	41.4	44.3	40.8	635.90	656.08	589.56
TRANS., COMM. & UTIL.	15.18	14.55	13.23	37.7	37.9	38.4	572.29	551.45	508.03
TRADE	9.36	9.40	9.41	34.6	34.4	34.3	323.86	323.36	322.76
Wholesale Trade	11.43	11.71	11.16	37.7	37.2	40.1	430.91	435.61	447.52
Retail Trade	8.49	8.47	8.75	33.4	33.5	32.5	283.57	283.75	284.38
FINANCE, INS. & R.E.	--	--	--	--	--	--	345.97	329.53	320.38

Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

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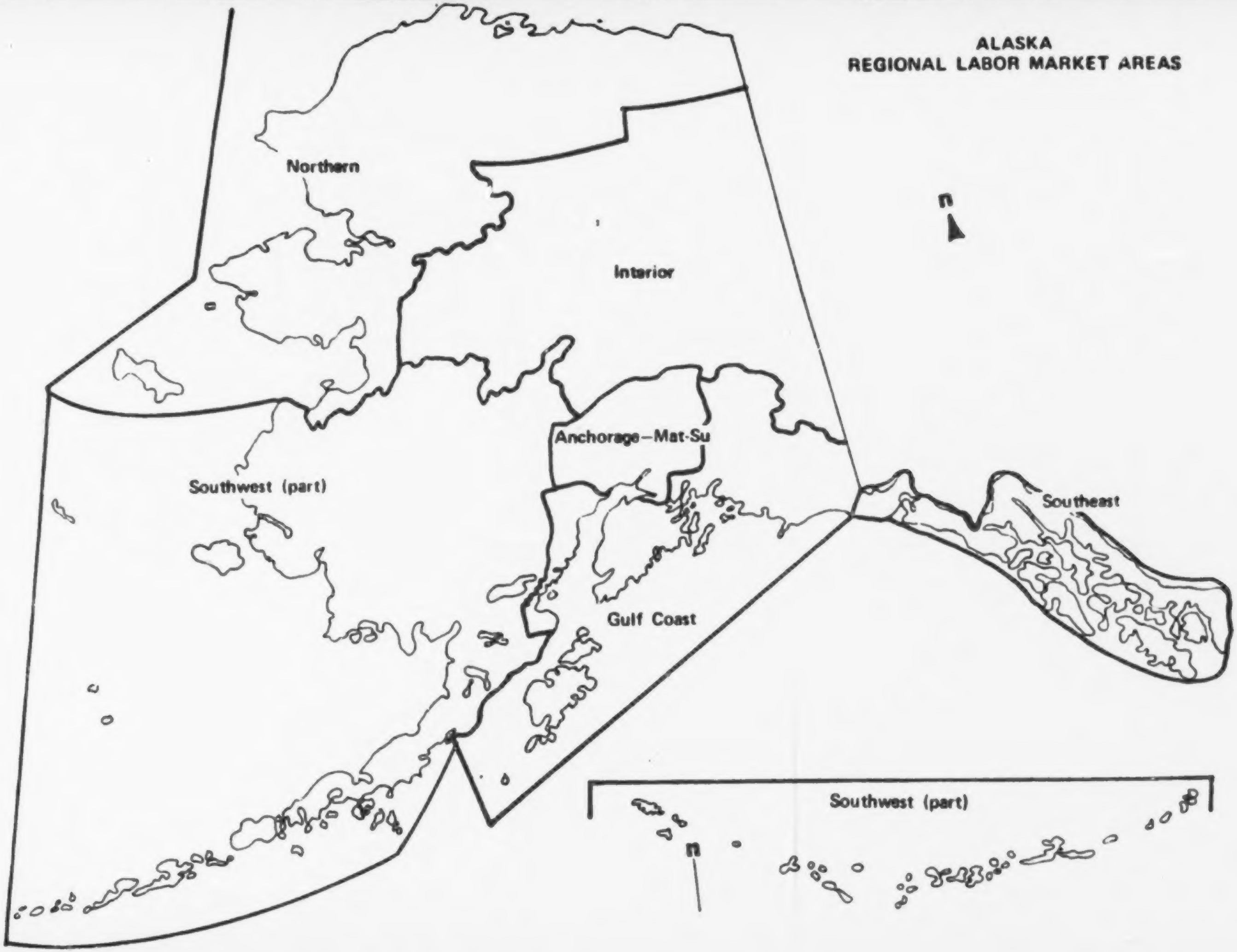
MAR 22 1982

ALASKA ECONOMIC TRENDS

1—Alaska's Oil Industry
10—Employment Index Revised

MARCH 1982

ALASKA
REGIONAL LABOR MARKET AREAS


n
Northern
Interior
Anchorage–Mat-Su
Southwest (part)
Gulf Coast
Southeast
Southwest (part)
n

ALASKA ECONOMIC TRENDS

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State of Alaska

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Department of Labor

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LABOR MARKET INFORMATION CONFERENCES

Presented By

Alaska Occupational Information Coordinating Committee
and
Alaska Department of Labor, Research and Analysis Section

April 7, 1982	**April 8, 1982**
FAIRBANKS, ALASKA	**ANCHORAGE, ALASKA**
Noel Wien Library Auditorium 1215 Cowles 8:45 a.m. to 4:30 p.m.	Alaska Department of Labor Conference Room 304 3301 Eagle Street 8:45 a.m. to 4:30 p.m.

For Pre-registration, or more information, contact:

ANCHORAGE	Neal Fried	(907) 264-2400
FAIRBANKS	Neal Fried	Zenith 9900
JUNEAU	Welles Gabier	(907) 465-2980
	Rod Brown	(907) 465-4518

The conference will provide an overview and discussion of published and unpublished labor market information. Population information, occupational information, current employment, unemployment, and cost of living measures will be presented and discussed at each of these one-day conferences.

ALASKA'S OIL INDUSTRY

By Neal Fried and Greg Huff

INTRODUCTION

In recent years interest in the oil industry has grown rapidly due to the Arab oil embargo and the Prudhoe Bay oil field discovery and development. This article discusses the structure, occupational mix, occupational opportunities, and supply and demand of those oil related occupations; in addition to education and/or training available in Alaska for a career in the oil industry.

Since the 1973-74 Arab oil embargo, the exploration and production of domestic sources of oil has significantly increased in the U.S. This increase, in turn, boosted employment in the oil extraction industries. Alaska has also seen large increases in oil employment since the 1973-74 period with the development of the Prudhoe Bay oil field. In fact, by the end of 1980, employment in Alaskan oil extraction industries (crude petroleum production, drilling, exploration firms and oil field services) had grown by more than 127% (3,300 jobs) since 1974 to a total of over 5,900 jobs. Over the same period of time, employment in the same industries for the U.S. as a whole increased 84%. Texas, Louisiana, and Oklahoma are the three largest oil and gas extraction employment states, and accounted for 70% of the nationwide growth. While Alaska ranks 12th in national oil extraction employment, it experienced the second highest growth rate between 1974 and 1980. Other states that experienced large relative employment increases since 1974 were North Dakota, Montana, and Colorado. (See Table I).

Table 1
Oil Extraction Employment By State

1980 Rank	State	1974	1980	Percent Change
1	Texas	115,400	227,000	97%
2	Louisiana	49,900	83,300	67%
3	Oklahoma	37,900	68,300	80%
4	California	22,700	32,800	44%
5	Colorado	8,200	17,100	109%
6	Wyoming	8,800	16,700	90%
7	New Mexico	8,300	13,400	61%
8	Kansas	7,700	13,300	73%
9	Ohio	5,400	9,800	81%
10	Mississippi	4,800	9,500	98%
11	North Dakota	1,100	6,600	500%
12	**Alaska**	2,600	5,900	127%
13	Utah	4,000	5,400	35%
14	Montana	1,800	3,800	111%
	U.S. Total	300,200	552,000	84%

Oil employment in Alaska represented 2.2% of total nonagricultural employment in 1974 and 3.5% in 1980. Not only has Alaska's oil employment been growing faster compared to the national industry average, it has also been increasing faster than overall employment in the Alaskan economy. Even with these dramatic increases in employment, oil employment represents only a small portion of total employment.

Assuming a 50% growth rate over the next five years, which the North Slope producers have estimated will occur, oil employment will still represent less than 5.0% of total wage and salary employment in Alaska. Job opportunities in the oil industry are limited in comparison to opportunities elsewhere in the Alaskan job market. But the importance of the oil industry extends beyond direct job opportunities as infusion of oil money into the economy also creates secondary jobs in Alaska.

OCCUPATIONAL STRUCTURE OF THE OIL INDUSTRY

People with many different skills are needed to explore for oil, drill new wells, maintain and improve existing wells. Some of the occupations are typically perceived as oil related, such as a driller or petroleum engineer. Others, such as secretaries or accountants are not strictly oil industry occupations but are found throughout the economy.

For simplification, occupations discussed here will be lumped into 6 occupational groups; managers and officers, professional and technical, maintenance and production (crafts), clerical, service, and sales. Of these groups, maintenance and production is the largest group representing 55% of the total oil extraction jobs. While the clerical and professional and technical groups represent between 12% and 13%, managers represent 5%, service 1.5%, and sales less than 1%. Through a survey of the oil establishments, the Department of Labor has identified over 60 major occupations in the oil industry.

OCCUPATIONAL MIX

The occupational mix in the industry varies according to the location of the operation and the type of firm. Ninety-six percent of the oil jobs in Alaska are located in Anchorage, North Slope and Kenai. In 1980, Anchorage and the North Slope each represented 42% of the total oil industry jobs, while Kenai supported 12%. The major portion (57%) of the jobs are with the crude producers (SOHIO, ARCO, EXXON, UNION, and AMOCO). Drilling, exploration, and oil service firms represent 16%, 13%, and 14% of the oil employment in Alaska.

There are basically two types of operations—field and support operations. Employment in Anchorage is primarily made up of support staff for the field operations throughout the state, particularly Kenai and Prudhoe Bay. The support staff consists of managers and officers, professionals, technicians, clerical, and sales personnel. The professional staffs in Anchorage and the field offices include geologists and geophysicists, and a wide range of engineers, including petroleum engineers.

Only in Anchorage do the professional staffs include purchasing agents and accountants. The vast majority of the technical workers in Anchorage and the field are engineering aides or drafters. The remainder are electronic and electrical technicians and computer programmers. Clerical occupations, which are concentrated in the Anchorage offices, consist of positions varying from accounting clerks and bookkeepers to a wide range of clerks and secretaries.

The field staff consists of maintenance and production workers, technicians, professionals and service staff. The service, and maintenance and production occupations, range from diesel and maintenance mechanics to electricians, heavy equipment operators, welders, and other skilled craftsmen and supervisors.

The producers are the largest employers in the industry, and run the occupational gamut of the oil industry; whereas the occupational mix within the drilling industry consists primarily of maintenance and production jobs related directly to drilling operations.

Exploration firms generally are engaged in seismic testing operations. Occupations are primarily those of maintenance and production jobs related to the seismic testing, such as surveyors and their helpers, blasters or vibrator operators, observers, and other skilled and unskilled workers.

Service companies have a broad occupational mix. A few companies offer a wide range of occupations and are active in an array of oil related activities, while the majority of firms are small and specialized. Specialized firms range from mud engineering to oil well cementing and directional drilling.

OCCUPATIONAL SUPPLY AND DEMAND

In 1981, one major oil company in Alaska received more than 7,000 applications from individuals hoping to land jobs in the oil industry. In 1981, the industry created approximately 1,160 new jobs. There is obviously no dearth of people wanting to work for the industry in Alaska. In most cases the industry is having little difficulty finding qualified people to fill most openings. However, it is difficult to fill a few highly specialized or technical positions that do open, despite the deluge of applications.

A large variety of occupations is found in the oil industry, and the supply and demand varies dramatically from a lack of qualified applicants in one occupation to a surplus of applicants in others. National and statewide economic trends, skill levels, technological changes, pay scales, and working conditions are major determining factors influencing the supply and demand for jobs in the oil industry.

The first occupational group that often comes to mind when discussing the oil industry are the drilling crews. On a drilling crew, the occupations range from the roustabout to the top person on the drilling rig, the tool pusher. The term "roustabout" is often used synonymously with "laborers." Most other jobs on the rig are acquired through experience and moving through the ranks. Because little formal education and training are needed for a roustabout, virtually any able bodied person can theoretically qualify for the job. This makes the potential labor pool very large. According to a number of the drilling firms, there is a minimum of 100-200 applicants for every job opening. Many of the drilling companies have ceased accepting applications from walk-ins, because they have simply been overwhelmed by applicants. Because the pool of applicants is large, the drilling companies can pick and choose, which means they generally hire individuals who already have drilling rig experience.

During the past 5 years, the pool of experienced drilling hands has grown dramatically. This comes from both growth in the number of Alaskans that have acquired experience in the oil fields and from individuals who have had oil experience elsewhere, and have followed the "oil patch" to Alaska. Because the pay is significantly higher here than elswhere in the nation's oil fields, many oil workers are attracted to Alaska. As a result seasoned oil rig people have been willing to take a demotion in job status on a rig, to nab a job on the North Slope or in Cook Inlet.

Presently Alaska has no problem attracting enough experienced drilling rig workers. However, according to knowledgeable people in the industry this is not the case outside Alaska due to a concentration of drilling in the overthrust belt along the Rocky Mountains which has resulted in a shortage of qualified workers in other areas of the country.

Another occupational group, not as specialized as the drilling crews, but which can be found in most phases of the oil industry, is the crafts. Craft-related occupations range from carpenters and welders to heavy equipment operators. Construction has always been a dominant industry in Alaska, therefore, a shortage of crafts people rarely exists. The oil industry has had a similiar experience, and has seldom had trouble finding qualified crafts people in the local Alaska labor market. Because they are usually paid top wages, there is stiff competition to land one of these jobs. Nevertheless, in a select number of cases, the industry does have a difficult time finding qualified workers. Welders are plentiful, but welders with specific, specialized training may be somewhat more difficult to locate. For example, welders who can weld stainless steel and pipe rapidly, definitely stick out of the crowd of competition. Experienced sheet metal workers with a wide variety of experience are also in more demand. Qualified crane operators are plentiful, but those who can operate a 100 ton crane are more difficult to locate. It should, however, be remembered that there is a limited demand for these highly skilled occupations.

Because there is a surplus of qualified individuals in most of the crafts, a specialized skill beyond the normal call of duty is one of the keys to landing a job as a craftsperson with the oil industry. Otherwise being at the right place at the right time, or being a member of a union will be necessary to gain employment in this industry.

The technical fields of employment are diverse, therefore, supply and demand for these occupations varies. In most cases, the oil industry reports it has had few problems finding qualified individuals, and here again it is probably because they are paid top dollar. The military, or more specifically the Air Force, trains a large number of electronic technicians, many of whom remain in Alaska when they complete their duty. Other technicians are either recruited from the local labor market or from outside Alaska by the industry. Due to the rapid technological changes the technicians who can work on the latest equipment have a far better chance of finding a job than those who do not have the experience

Drafters, another technical group, are employed by both the producer and service companies. The general drafters with little experience are not hard to find in the local labor market. However, some of the more experienced and specialized drafters are more difficult to find.

A drafter with a great deal of pipelaying or pipe design experience should not find it difficult to land employment in the industry. A drafter capable of designing flow lines and gathering lines is more employable. Some structural drafters are also in demand by the industry. Presently there is little demand for computer aided drafters in Anchorage, but during the next year one of the major producers will be hiring people in this profession. To date there has been little need for drafters with these skills in Alaska, therefore, they are difficult to find. In the future this will likely become a demand occupation. Job opportunities for drafters with years of experience in specific areas such as piping, structural or computers are generally good, but for general drafters with little experience, finding work with the oil industry will be extremely difficult.

Though not typically thought of as oil related occupations, the clerical positions are well represented in the industry. Generally, the oil industry pays above the average for these positions, and therefore has little problem finding an adequate supply of clerical workers. The competition can be tough, with 50 or more applicants applying for one opening. Clerical skills with word processing or computer experience definitely help a person stand out in a crowd of job applicants. Education helps, and experience is a definite must before a person will even be considered.

An occupation often brought to mind when the oil industry is mentioned is engineer. The engineer is often thought of as the premier of all occupations—where the employer must go begging for qualified applicants. In some cases this is exaggerated, but in others it is not. Any newly graduated petroleum engineer major will find work with the oil industry, but engineers in other disciplines will not find it so easy. Presently there is a national and worldwide shortage of petroleum engineers. A petroleum engineer with experience can practically write their own ticket and command very high wages. These engineers are constantly being lured away by other companies with larger and better offers. The new graduate, however, will have to acquire some experience before bundles of cash are offered.

For two other professional occupations, geologist and geophysicist, the picture is somewhat different. For entry level positions, there are plenty of applicants to choose from. However, it is generally a good degree (at the masters level) to have today because of both increased oil and mineral exploration. For the geologist or geophysicist with a good deal of oil experience, the prospects are at least as bright if not brighter than the the opportunities for the petroleum engineer since they actually locate potential oil fields, making their talents seemingly priceless to the industry.

For the other professional and managerial occupations, the possibility of capturing a job with the oil industry is not quite as easy. For example, competition for accounting jobs is stiff, despite the fact that a degree in accounting is presently very marketable. Good experience and/or an exceptional record in school is necessary to even be considered. To move into a managerial position, a person has to either come through the ranks of the company or be recruited from other companies' managerial ranks. The latter method is the most common way local residents have been able to work for the oil industry.

The supply and demand for all these occupations is by no means a static affair. Presently the seasoned geologist and engineer are very marketable occupations and the crafts are suffering from a surplus. The dynamics of the labor market could change this situation quite rapidly. This is particularly true in Alaska because of the small size of its labor market. A deluge of students could move into the demand fields and flood the market. This could be compounded by a contraction of the industry. At the same time the nation could enter a boom era for construction, creating a shortage of skilled crafts people. The demand for occupations has waxed and waned in the past and there is little reason to believe this won't continue to be the case—few if any occupations are insulated from these changes.

EDUCATION AND TRAINING

Formal education is not always necessary, but in all cases it helps to crack open the door for individuals pursuing job opportunities in the oil industry. In Alaska there are a number of training and educational programs which are specifically oriented to meet educational needs relating to the oil industry. The Alaska Petroleum Extension Program coordinates these programs which are taught at the Kenai Peninsula Community College, the Alaska Vocational Education and Technical Center (formerly the Alaska Skill Center) at Seward, the Tanana Community College, and the University of Alaska in Fairbanks. These programs include training for engineering aids, operators, instrument technicians, roustabouts, general petroleum technology, and petroleum engineering. The length of training varies from 16 weeks for the roustabout to four years of formal college for the petroleum engineer. Petroleum engineering is a new program at the University of Alaska which graduated its first petroleum engineer in December 1981.

The placement rate has been good for the graduates of the various programs, often because they work closely with the industry. Training for other occupations represented in the oil industry, such as clerical and crafts can be acquired at union apprenticeship programs, various vocational schools, and community colleges. Competition for jobs in the oil industry can be extremely tough, therefore, the right training and experience are necessary if a person wishes to be noticed within an overcrowded supply of job seekers.

NONAGRICULTURAL EMPLOYMENT INDEX REVISED

The method for producing the nonagricultural employment index for Alaska, Anchorage, and Fairbanks has been revised effective January, 1982. Previously only the nonagricultural employment total was seasonally adjusted in developing the index. The new method seasonally adjusts each industry prior to summing to the total which is then indexed. This revision in methodology will more appropriately weight each industry in the total. If the revised historical series is desired, please contact Sally Saddler, Editor, Alaska Economic Trends.

ALASKA LABOR FORCE IN JANUARY

By Chris Miller

Total nonagricultural wage and salary employment in January declined approximately 2.7%. This was a rather modest decline. The seasonally adjusted nonagricultural employment index showed an increase rising from 175.5 in December to 176.9 in January.

This winter Alaska's industries have been remarkably stable. As expected, employment in the mining industry was on the increase in January. This is the arctic drilling season and activity on the North Slope is quite busy. Employment expansion in the mining industry as a whole was about normal for this time of year with seasonally adjusted mining employment remaining relatively unchanged from December.

Though construction employment declined about 1,800 persons over the month, this drop was not unexpected. After seasonal adjustment construction employment declined less than 100 jobs. Colder than normal temperatures in southeast Alaska in January probably were a significant factor in the decline of seasonally adjusted construction employment.

Employment again dropped in the seafood processing industry. The decline however was less than normal. After seasonal adjustment food processing employment showed a slight gain. This hopefully is an indication that the bottom has been reached with regard to employment in the seafood processing industry this year. Recent disclosures about botulism in a few cans of Alaska canned salmon has created quite an uproar in the industry. Several nations in Europe who are major markets for Alaska canned salmon have placed an embargo on the product. Hopefully this situation will be resolved before this year's salmon season begins.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

	P/ 1/82	R/ 12/81	1/81	CHANGES FROM: 12/81	1/81
Nonag. Wage & Salary......	171200	176000	161100	-4800	10100
Mining	7900	7600	7100	300	800
Construction	10000	11800	8100	-1800	1900
Manufacturing	7700	7900	8400	-200	-700
Food & Kindred Prod.....	3100	3200	3700	-100	-600
Lumber & Paper Prod....	2000	2000	2100	0	-100
All Other Mfg.	2600	2700	2600	-100	0
Trans. Comm. & Util.	17400	17400	16400	0	1000
Trucking & Whseing.	2200	2200	1700	0	500
Water Transportation	900	900	900	0	0
Air Transportation	5200	5300	5200	-100	0
Other Transportation Comm. & Utilities	9100	9000	8600	100	500
Trade	30600	32000	28600	-1400	2000
Wholesale Trade	6300	6300	5300	0	1000
Retail Trade..............	24300	25700	23300	-1400	1000
Gen. Merchandise & Apparel	3900	4300	4100	-400	-200
Food Stores.............	4300	4500	4200	-200	100
Eating & Drinking Places	8300	8800	7400	-500	900
Other Retail Trade	7800	8100	7600	-300	200
Finance-Ins. & R. Estate ..	8600	8700	8000	-100	600
Services & Misc.	30800	31400	28700	-600	2100
Government	58200	59200	55800	-1000	2400
Federal Government	17600	17700	17900	-100	-300
State Government	16900	17300	15500	-400	1400
Local Government	23700	24200	22400	-500	1300

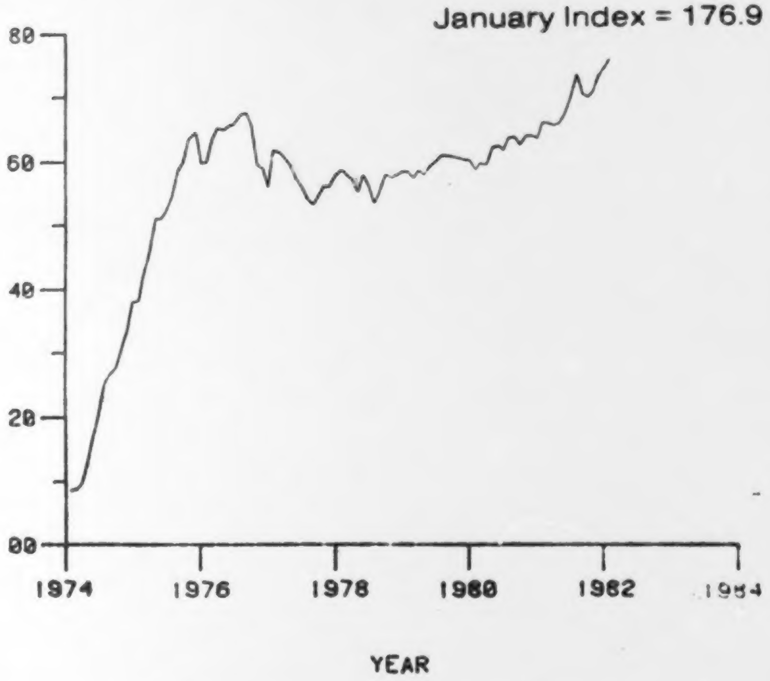
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

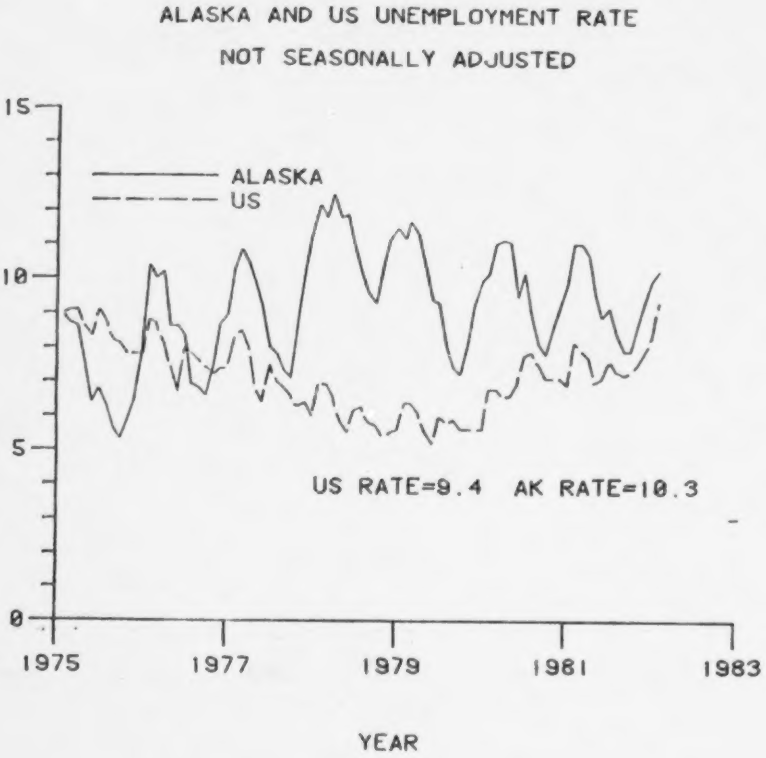
R/ Denotes revised estimates.

ALASKA NONAG EMPLOYMENT COMPOSITE INDEX



Employment in the wood products industry remained unchanged over the month. Employment counts in this industry would have been lower but for the fact that the Ward Cove pulp mill in Ketchikan returned to full operation on January 12 after an extended Christmas break. Because the Current Employment Statistics survey only counts employment during the week of the 12th, those workers were counted as employed for the whole month even though they had been laid off for the first two weeks. Because of poor market conditions the Ward Cove pulp mill anticipates that it will be shutting down again in March.

The Trade industry appears to be doing relatively well this winter. The decline of 1,400 jobs was less than the seasonal norm. After seasonal adjustment employment in the Trade industry increased approximately 2.4%.



Employment in the Financial and Service industries declined slightly both in actual and seasonally adjusted terms. The declines in the seasonally adjusted data however were less than 1% for both industries.

Government employment declined about 1,000 jobs from December to January. The majority of this decline was in the educational sector of state and local governments. This drop was primarily due to the winter break for Christmas and New Year's.

ANCHORAGE MATSU LABOR FORCE IN JANUARY

By Greg Huff

Anchorage wage and salary employment in January declined by 3,000 jobs (3.7%). This was the single largest seasonal dip since the winter slide began, but not abnormal for this time of year. Historically construction employment declines in January are combined with after Christmas season layoffs in trade and services. This January, employment in both the construction and trade industries declined 1,000 jobs each and employment in services dropped 600 jobs. A net decline in mining employment was a result of greater employment declines in the metal and other mining sectors than the increase in oil and gas employment. All other major industries also experienced employment declines in January.

GOVERNMENT EMPLOYMENT

Total government employment from the previous month declined slightly because of seasonal layoffs in the educational sectors. However, all sectors of local government employment registered gains in employment over December's mark.

A year to year comparison shows that government employment has grown 3.5% since January of 1981; Federal government employment rolls expanded 1.6%, state government, outpacing all other government sectors, grew 10.4% and local government employment rose 1.3%. The over the year increases in local government resulted from expanded education employment. The gains in state government employment resulted from a combination of increases in education and non-education personnel.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/ 1/82	R/ 12/81	1/81	12/81	1/81
Nonag. Wage & Salary......	82750	85950	75550	-3200	7200
Mining	3200	3250	2450	-50	750
Construction	5550	6550	4000	-1000	1550
Manufacturing	1650	1750	1500	-100	150
Food & Kindred Prod.....	250	300	250	-50	0
Other Mfg.	1400	1450	1250	-50	150
Trans. Comm. & Util.	8050	8300	7500	-250	550
Trucking & Whseing.	1000	1150	900	-150	100
Water Transportation	250	300	200	-50	50
Air Transportation	3000	3000	2950	0	50
Other Transportation Comm. & Utilities	3800	3850	3450	-50	350
Trade	18100	19100	16350	-1000	1750
Wholesale Trade	4350	4550	4000	-200	350
Retail Trade..............	13750	14550	12350	-800	1400
Gen. Merchandise	1900	2100	1750	-200	150
Food Stores.............	2150	2200	1900	-50	250
Eating & Drinking Places	4600	4750	4050	-150	550
Other Retail Trade	5100	5500	4650	-400	450
Finance-Ins. & R. Estate ..	5750	5850	5150	-100	600
Services & Misc...........	17050	17650	16000	-600	1050
Government	23400	23500	22600	-100	800
Federal	9700	9800	9550	-100	150
State	5850	5900	5300	-50	550
Local.....................	7850	7800	7750	50	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	R		CHANGES FROM:	
	1/82	**12/81**	**1/81**	**12/81**	**1/81**
Nonag. Wage & Salary......	86200	89400	78600	-3200	7600
Mining	3300	3300	2450	0	850
Construction	5750	6750	4100	-1000	1650
Manufacturing	1750	1800	1500	-50	250
Trans. Comm. & Util.	8400	8700	7950	-300	450
Trade	18800	19850	17100	-1050	1700
Finance-Ins. & R. Estate ..	5850	5950	5250	-100	600
Services & Misc.	17500	18050	16350	-550	1150
Government	24850	25000	23900	-150	950

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

BUDGET CUTS

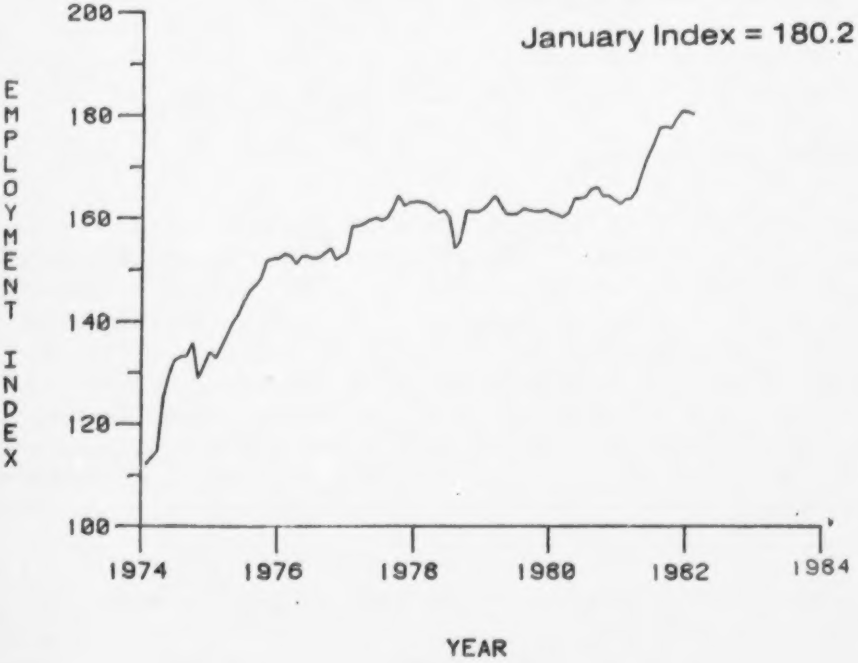
How are the federal budget cuts affecting government employment in Anchorage? There are basically four reactions to the budget cuts. 1) Reduction in force (RIF), which is the direct elimination of positions as a result of funding decreases or the elimination of programs. 2) Furlows, which require employees to take leave without pay several times a year. (Usually 10 to 12 days). Here actual employment does not decrease but salaries do. 3) Hiring freezes in combination with attrition reduces staff size. 4) Funding cutbacks to state and local government agencies providing services funded by the federal government resulting in staff layoffs in state and local government agencies.

Presently RIFs have only affected a very small number of federal employees in Anchorage since the budget slicing began. However, several federal agencies including OBM & FAA have, and will be issuing furlows to their employees. Most agencies are experiencing hiring freezes ranging from partial to complete across the board freezes. The major effect of the budget cuts on employment has been felt in state and local government agencies carrying out their functions with federal funds.

GOVERNMENT EMPLOYMENT TRENDS

Since 1975, growth in government employment nationwide has reversed trends. From 1950 to 1975 government employment increases outpaced private employment gains. Government employment in 1950 represented 13.3% of nonfarm employment increasing to 19.1% in 1975. While showing modest job growth at all levels of government since 1975, government employment growth has fallen behind growth in the private sector of the economy. In 1980 government employment represented 17.9% of nonagricultural employment, a

ANCHORAGE NONAG EMPLOYMENT COMPOSITE INDEX



LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	1/82	12/81	1/81	1/82	12/81	1/81	1/82	12/81	1/81	1/82	12/81	1/81
Alaska Statewide	189638	191610	178245	19625	19200	19701	10.3	10.0	11.1	170013	172410	158544
Anch.-MatSu Region	96416	97736	87911	7849	7537	7712	8.1	7.7	8.8	88567	90199	80199
Anchorage	86859	88124	79117	6500	6284	6350	7.5	7.1	8.0	80359	81840	72767
Matanuska-Susitna	9557	9612	8794	1349	1253	1362	14.1	13.0	15.5	8208	8359	7432
Gulf Coast Region	20716	20865	20389	2919	2777	3156	14.1	13.3	15.5	17797	18088	17233
Cordova	1093	1107	1075	140	139	153	12.8	12.6	14.2	953	968	922
Kenai	10814	10755	10461	1746	1539	1680	16.1	14.3	16.1	9068	9216	8781
Kodiak	4542	4704	4520	478	574	585	10.5	12.2	12.9	4064	4130	3935
Seward	1481	1544	1544	212	254	315	14.3	16.5	20.4	1269	1290	1229
Valdez	2786	2755	2789	343	271	423	12.3	9.8	15.2	2443	2484	2366
Interior Region	25588	25598	24205	3715	3553	3307	14.5	13.9	13.7	21873	22045	20898
Fairbanks	20879	20864	19626	3050	2896	2593	14.6	13.9	13.2	17829	17968	17033
Southeast Fairbanks	2066	2071	1984	278	269	275	13.5	13.0	13.9	1788	1802	1709
Upper Yukon	612	618	639	79	80	129	12.9	12.9	20.2	533	538	510
Yukon-Koyukuk	2031	2045	1956	308	308	310	15.2	15.1	15.8	1723	1737	1646
Northern Region	8739	8613	8325	666	625	830	7.6	7.3	10.0	8073	7988	7495
Barrow-North Slope	2327	2300	2173	149	145	151	6.4	6.3	6.9	2178	2155	2022
Kobuk	2734	2698	2611	229	219	285	8.4	8.1	10.9	2505	2479	2326
Nome	3678	3615	3541	288	261	394	7.8	7.2	11.1	3390	3354	3147

Southeast Region	28680	28943	27635	3555	3720	3578	12.4	12.9	12.9	25125	25223	24057
Angoon	386	385	403	53	51	85	13.7	13.2	21.1	333	334	318
Haines	969	987	1004	121	136	192	12.5	13.8	19.1	848	851	812
Juneau	9917	9959	9574	798	803	841	8.0	8.1	8.8	9119	9156	8733
Ketchikan	6178	6487	5936	893	1181	875	14.5	18.2	14.7	5285	5306	5061
Outer Ketchikan	865	785	753	242	160	157	28.0	20.4	20.8	623	625	596
Prince of Wales	1367	1353	1349	204	186	236	14.9	13.7	17.5	1163	1167	1113
Sitka	4123	4143	3933	438	444	405	10.6	10.7	10.3	3685	3699	3528
Skagway	1446	1454	1378	217	220	201	15.0	15.1	14.6	1229	1234	1177
Wrangell-Petersburg	3429	3390	3305	589	539	586	17.2	15.9	17.7	2840	2851	2719
Southwest Region	9499	9855	9780	921	988	1118	9.7	10.0	11.4	8567	8867	8662
Aleutian Islands	2479	2564	2494	146	153	138	5.9	6.0	5.5	2333	2411	2356
Bethel	3083	3236	3216	354	415	460	11.5	12.8	14.3	2729	2821	2756
Bristol Bay Borough	364	355	355	56	37	44	15.4	10.4	12.4	308	318	311
Bristol Bay	1268	1312	1294	116	121	131	9.1	9.2	10.1	1152	1191	1163
Kuskokwim	866	896	894	122	127	143	14.1	14.2	16.0	744	769	751
Wade Hampton	1439	1492	1527	127	135	202	8.8	9.0	13.2	1312	1357	1325

P/=Preliminary *R/*=Revised 1981 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

decline of 1.2 percentage points from the peak of 1975. In analyzing this reversal in the long term trend, particularly striking is the pattern of growth of state and local government employment. During the period from 1950-1975 state and local government increased their portion of nonfarm employment from 9.1% to 15.5%. During that time the federal share was relatively stable, dropping .7 percentage points. In 1980 state and local government share declined to 14.7% and federal government dropped to 3.2%.

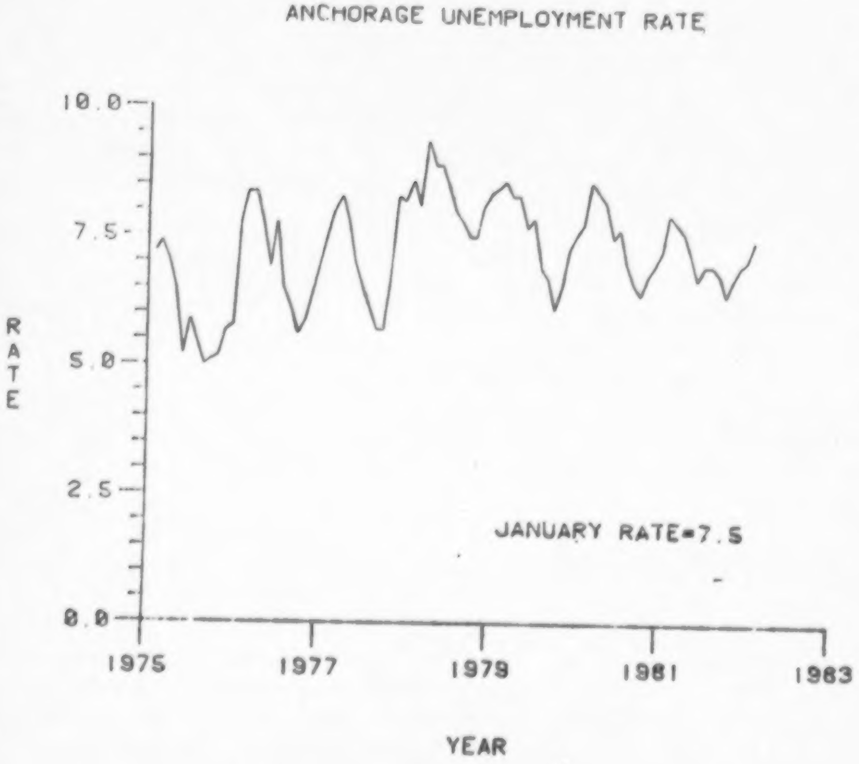
In Alaska and Anchorage this reversal has also happened, though the peak was ten years earlier. Since 1965 government employment share in Alaska and Anchorage has declined 9.6 and 15.5 percentage points. Since 1965, federal government share in Alaska has decline from 24.7% to 10.5% and in Anchorage from 30.5% to 12.3%. State and local government shares have increased from 17.4% to 22.0% statewide and from 13.2% to 15.9% in Anchorage.

STATE-BY-STATE

In 1980, the percent share of government employment varied from 12.8% in Connecticut to 45.8% in Washington, D.C. The states with the highest concentrations were Alaska (32.5%), Montana (25.2%), New Mexico (26.9%), North Dakota (24.8%) and South Dakota (24.6%). Not only does Alaska have the greatest concentration of total government employment, federal, state and local percentage shares are also greater than any other state. The presence of military installations helps explain part of the high percentage of Federal employment in Alaska. Anchorage in comparison has about the same percentage share of state and local government as the national average, but federal government in Anchorage exceeds national levels, again partially because of the military installations.

SUMMARY AND CONCLUSION

Future federal employment levels are up in the air, given the uncertainty of the impacts of the budget cuts, but it appears that in Anchorage federal government employment will remain relatively stable and will not experience any major declines, but the percentage share will continue to erode. Presently the budget cuts and freezes have had a minimal affect on federal government employment in Anchorage which still remains above year ago levels. Even with the proposed breakup of



some federal agencies, it is not expected, at this time, to reduce personnel levels. Instead the positions will be juggled between the different agencies taking over the rolls.

State government employment, given the present mood of the Legislature, is in question. Without budget cuts state government in Anchorage will continue to grow.

Local government will continue to grow. As the city grows, services will need to be expanded, hence employment will increase.

Overall government employment will continue to grow modestly, expanding at a slower rate than the rest of the economy. Government employment share will continue to represent a smaller portion of total employment.

FAIRBANKS/INTERIOR LABOR FORCE IN JANUARY

By Neal Fried

Fairbanks' economy can expect to see growth for the second consecutive year in 1982. After a number of years of decline or stagnation, this phenomenon remains a new found feeling. The stimulus, providing for this growth is not coming from any one specific project or sector, but instead from a multiple of projects and increased activity in many sectors. The source of funds that is providing much of the impetus to this growth is largely coming from one spigot; state oil revenues.

Employment will grow correspondingly causing Fairbanks' labor force to expand. However, this does not mean that job seekers will have it easy in 1982. On the contrary, competition for jobs will continue to be fierce, with more people seeking work than there are jobs. The local Job Service Office has been experiencing a more than normal number of newly arriving job seekers for this time of year and their proportion will grow with the coming of spring. This is caused by the poor shape of the economy in much of the remainder of the country, combined with the high profile Alaska has had in the nationwide media. Because Fairbanks' labor force is relatively small (21,000), the number of jobs as a result of growth in 1982 in absolute numbers is small and will be filled quickly. This may mean that, despite a growth in jobs, the unemployment situation may change little, with the number of job seekers growing faster than new jobs. Fairbanks' unemployment rate has remained in the area of 12-13% for the past three years, and the rate is not likely to change much with the predicted growth in job seekers.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/ 1/82	R/ 12/81	1/81	CHANGES FROM: 12/81	 1/81
Nonag. Wage & Salary......	20750	21400	19750	-650	1000
Mining	50	50	50	0	0
Construction	1350	1550	1150	-200	200
Manufacturing	450	450	600	0	-150
Trans. Comm. & Util.	2500	2550	2350	-50	150
Trucking & Whseing.	400	400	300	0	100
Air Transportation	600	650	550	-50	50
Other Trans. Comm. & Utilities.................	1500	1500	1500	0	0
Trade	3800	4050	3600	-250	200
Wholesale Trade	700	700	700	0	0
Retail Trade...............	3100	3350	2900	-250	200
Gen. Merchandise & Apparel	400	450	400	-50	0
Food Stores.............	550	600	550	-50	0
Other Retail Trade	2150	2300	1950	-150	200
Finance-Ins. & R. Estate ..	750	750	700	0	50
Services & Misc...........	3750	3800	3550	-50	200
Government	8100	8200	7750	-100	350
Federal	2300	2350	2200	-50	100
State	3500	3550	3400	-50	100
Local.....................	2300	2300	2150	0	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Most of the oil revenue dollars responsible for the expansion in the economy, are being funnelled through state government agencies for capital projects. Public financed construction will, continue to dominate the construction industry in 1982. Both the Fairbanks North Star Borough and the City of Fairbanks are planning to begin construction on approximately $84-104 million dollars worth of capital projects. These projects vary from energy conservation, to schools, parks and roads. Schools are the single largest budget item with three new elementary schools being built throughout the Borough, and a high school in North Pole. The total price tag for these schools will be $68 million if $18.0 million in bonds is passed in March. All of this money will not necessarily be spent this year, because some of these projects will extend into 1983.

The Department of Transportation is planning a busy road construction year both within and outside the Borough. The repaving of much of College Road and the paving of Sheep

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK INTERIOR

	P/ 1/82	R 12/81	1/81	CHANGES FROM 12/81	CHANGES FROM 1/81
Nonag. Wage & Salary	24100	24750	23100	-650	1000
Mining	200	200	150	0	50
Construction	1450	1700	1200	-250	250
Manufacturing	600	600	750	0	-150
Trans. Comm. & Util.	3400	3400	3150	0	250
Trade	4000	4200	3850	-200	150
Finance-Ins. & R. Estate	750	800	750	-50	0
Services & Misc.	4100	4150	3850	-50	250
Government	9600	9700	9400	-100	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska

Benchmark Date March 1980.

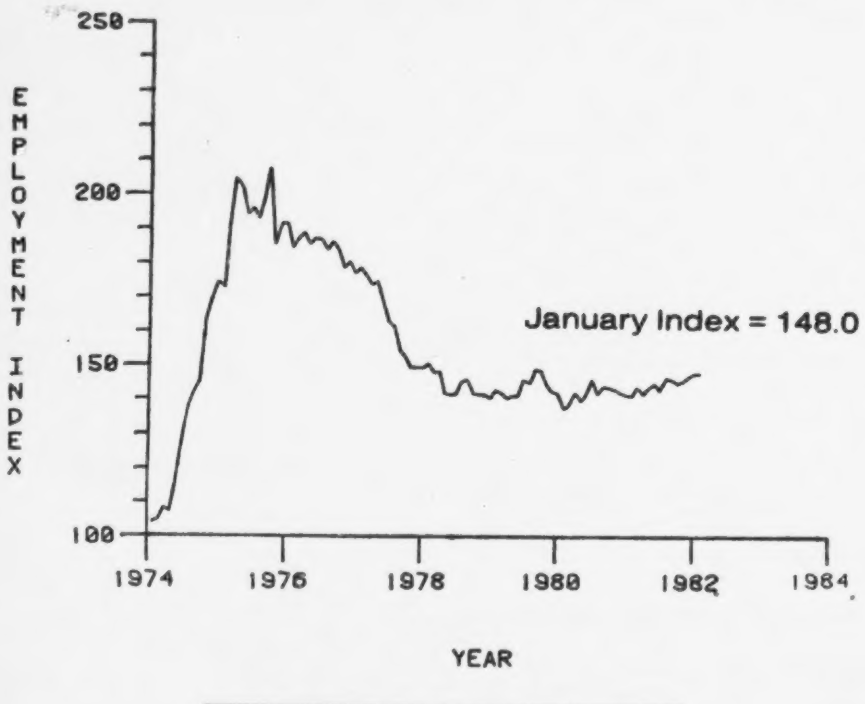
P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Creek and Gold Stream Roads are among many planned projects within the Borough. Other projects, including $14 million worth of work on the Dalton Highway and a number of other road jobs, though not within Borough boundaries, will draw from its workforce this year.

In the private sector, residential construction, which doubled in 1981, is expected at a minimum to keep up with 1981 levels and, more likely will exceed them. The single largest undertaking planned in the private sector is the construction of Doyon Ltd's $65 million oil refinery. Land is presently being cleared for the plant location, but the supply of oil needed for the refinery has not yet been finalized. If the state does approve the sale of a portion of its royalty oil to Doyon, the plant is expected to be completed and running by 1983. This will mean Fairbanks will have two refineries, but unlike the North Pole refinery, which produces jet fuel, heating oil and diesel, this

FAIRBANKS NONAG EMPLOYMENT COMPOSITE INDEX



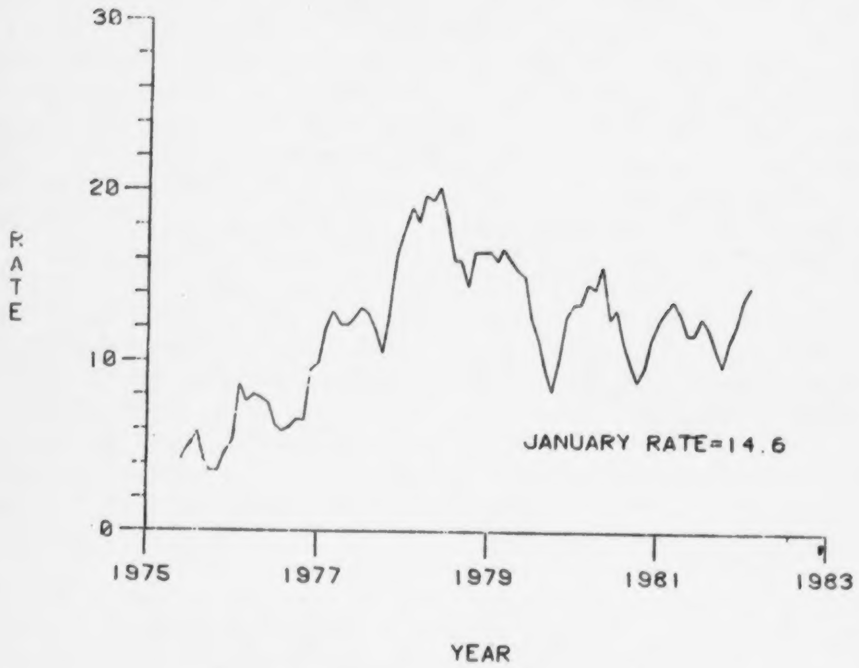
new plant will also refine gasoline. Peak construction employment is expected to reach 200, with the refinery having a permanent workforce of approximately 50 persons.

North Slope activity is also expected to continue to grow in 1982, which means more Fairbanks residents will find work on the North Slope or find employment in Fairbanks businesses which provide services to the oil fields. One such new business opening in Fairbanks in 1982 will be an insulating plant, which will primarily be insulating pipe destined for the oil fields. The Energy Coatings Company in Fairbanks won a $20 million contract to insulate pipe for ARCO, with work expected to last through August.

The level of tourism in Fairbanks for 1982 is presently hard to predict because of the nation's recession. The industry has been steadily growing over the years, but the recession may put a damper on it in 1982. It is still too early in the season to predict what will happen. Within 2 or 3 months, through advanced bookings, tour operators will have a better idea of the number of vacationers coming to Alaska in the 1982 season.

Government, Fairbanks' largest sector, may move in a number of directions. Local government will likely grow slightly due to the increased revenues now being received from the state. State government employment is difficult to predict since presently there is talk of cutbacks in the state budget, and not until the legislature decides how much the budget will be cut, if at all, will the status of employment be known. Federal government will probably remain stable in 1982 despite predicted nationwide cutbacks. This is because a large percentage of Fairbanks' federal civilian employment is support personnel for the military, and the defense segment of the federal budget is experiencing no cutbacks. Overall government employment will continue to grow modestly, expanding at a slower rate than the rest of the economy. Given the above, government employment share will continue to represent a smaller portion of total employment.

One project which continues to hover in Fairbanks' background is the construction of the gas pipeline. Because the project has been delayed a number of times and financing has yet to be arranged; the project has remained in the background. According to its sponsor—Northwest Alaskan Pipeline Company,



FAIRBANKS UNEMPLOYMENT RATE

the construction is slated to begin in 1983 if the money to build this project is raised. If it is not raised in the near future, the project will be delayed again and will not play an important role in Fairbanks' economy in 1982. If, however, financing is arranged, though no major undertakings are planned for 1982, anticipation of the project could begin to affect the economy during the latter part of the year. Because the project is so large, it cannot be ignored when discussing Fairbanks' economy; however, even without it, Fairbanks' economy will grow in 1982.

GULF COAST LABOR FORCE IN JANUARY

By Neal Fried

Gulf Coast economy experienced some growth in 1981 after a number of lackluster years. The new year is expected to be somewhat of a repeat, with the pace of activity quickening. The source of the increased economic activity in 1982 will again be very dependent on increased expenditures of oil revenues on capital projects. Though, many of the economies in the Gulf Coast are largely independent of each other, all are capturing some of this revenue to fund projects of their choice. For example, Cordova, Kodiak, Homer and Seward are expanding their harbor facilities, all hoping that this will enhance their fisheries capabilities. In Seward's case, it is hoped that the harbor expansion will also make their town a major shipping point for goods coming into and leaving Alaska, as well as a shipping repair port. Valdez is presently completing the expansion of its docking facilities.

It will also be another busy road construction year, with the Kenai Peninsula Borough alone undertaking $10 million worth of construction. A variety of other projects are expected to get underway throughout the region, such as the construction of the $6 million sport/convention complex in Soldotna, $1.5 million Senior Citizen housing in Valdez, a new school in Homer, etc. Both Seward and Valdez hope to build major grain facilities to handle the grain being grown in Delta. Presently both projects are caught up in political and financial logjams, and may, experience delays in construction. The construction industry will receive most of the immediate benefits from these projects. Other industries will also be affected by the construction of these projects directly and indirectly.

In the private sector, no single major project is certain, but a number of smaller projects are planned. Residential construction is expected to grow above year-ago levels, as excess housing in some of the areas such as Kenai is absorbed as population continues to grow. A new shopping center will be built this summer with Safeway and Pay'n'Save anchoring the center. The Chevron and Tesoro refineries are planning to expand if they are able to buy some of the state's North Slope

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	1/82	12/81	1/81	12/81	1/81
Nonag. Wage & Salary......	14850	15400	14500	-550	350
Mining	850	900	850	-50	0
Construction	600	850	500	-250	100
Manufacturing	2450	2450	2750	0	-300
Food & Kindred Prod.....	1700	1700	1800	0	-100
All Other Mfg.	750	750	950	0	-200
Trans. Comm. & Util.	1650	1650	1550	0	100
Trade	2200	2300	2050	-100	150
Wholesale Trade	350	350	300	0	50
Retail Trade..............	1850	1950	1750	-100	100
Finance-Ins. & R. Estate ..	450	450	450	0	0
Services & Misc...........	2350	2450	2250	-100	100
Government	4300	4350	4100	-50	200
Federal	500	500	550	0	-50
State	1250	1350	1200	-100	50
Local......................	2550	2500	2350	50	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

royalty oil. Nothing is certain about these projects until winners of the state's royalty are determined in March. Without it, the refineries, particularly the Chevron refinery may not be able to continue to operate in the long run due to the dwindling supplies of Cook Inlet crude, which has fallen to less than half of what it was at its peak in 1970.

The outlook for the region's major industry, fishing, is more difficult to predict. The run of salmon is projected to be at record high levels again in 1982. This will likely mean employment levels in 1982 will remain at above average levels. Fishing is, however, an extremely volatile business. Therefore, it is very difficult to make employment projections until the season actually begins.

Tourism in the region, particularly the Kenai Peninsula will experience a good year again in 1982. This is because Anchorage's population is continuing to grow, which will mean more people will choose to recreate on the Peninsula. Tourism affects a number of the region's industries directly, such as services and trade, and others more indirectly.

Government employment levels, the region's largest industry will likely remain stable in 1982. Federal government, which has a small presence in the region, will likely experience some small losses as a result of federal cutbacks. Local government on the other hand, will expand as school and local government budgets rise as a result of their receiving larger shares of the oil revenues. State government levels are difficult to predict because there is presently talk of cutting back state government. Not until this issue is resolved will state government levels be known. Because local government is the largest government sector even with federal and possible state losses, total government employment is not likely to fall.

This increased activity will cause a corresponding temporary growth in employment during the construction phase. More permanent employment may also take place if a number of these projects act as catalysts in expanding the different areas economic infrastructures. The additional employment created by this heightened activity would typically put downward pressure on the region's unemployment rate, which has remained at 11-12% for the past three years, but there is a good chance the rate will not fall very much. As is being experienced elsewhere in the state, a larger number of job seekers from economically depressed areas in the remainder of the nation are moving to the Gulf Coast. Even though unemployment rates are not likely to fall, job opportunities will grow for residents of the region who already have an understanding of the local labor market and have contacts in the communities. Some newcomers will also find work; others will likely be disappointed in not finding work at all, or not the work and wages they expected.

At this point, much of the Gulf Coast's economic growth is being fueled by state oil revenues, and this could continue to be the case for a number of years to come. However, unless these revenues enhance the already existing economic infrastructure, or provide for new, more permanent activity, this expansion may only take place as long as the oil revenues continue to flow. Only time will tell if the infrastructure build up, such as expanding port facilities, etc, will lead to more permanent economic activity in the Gulf Coast.

SOUTHEAST LABOR FORCE IN JANUARY

By Debbie Berggren

Overall, nonagricultural wage and salary employment decreased 3% in January to 24,750. The only industry which experienced employment growth was government. All other industries experienced declines, with trade having the highest decrease.

During the month, construction employment decreased 23%. All sectors of the industry experienced a drop in employment. Seasonal layoffs in the building construction sector created most of the decline.

Manufacturing as a whole declined by 150 jobs, or 7%. Due to a poor crabbing season, food processing employment decreased 10% during the month, dropping to 25% below the year ago level. Layoffs continued in the logging sector, creating a 36% drop in employment. On the other hand, sawmill employment increased during the month by 6%. Pulp mill employment also increased slightly. The Ward Cove mill which had shut down for an extended Christmas break, was back in full operation on January 12th, and therefore all employees were considered as employed for the month. It is anticipated that the mill will be shutting down again sometime in March.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK SOUTHEAST ALASKA

				CHANGES FROM:	
	P/ 1/82	R/ 12/81	1/81	12/81	1/81
Nonag. Wage & Salary	24750	25500	23850	-750	900
Construction	850	1100	750	-250	100
Manufacturing	2100	2250	2400	-150	-300
Food & Kindred Prod.	450	500	600	-50	-150
Lumber & Paper Prod.	1450	1500	1550	-50	-100
All Other Mfg.	200	250	250	-50	-50
Trans. Comm. & Util.	2400	2500	2300	-100	100
Trade	3700	4050	3450	-350	250
Wholesale Trade	350	400	300	-50	50
Retail Trade	3350	3650	3150	-300	200
Finance-Ins. & R. Estate	1000	1000	1050	0	-50
Mining, Services & Misc.	3450	3500	3200	-50	250
Government	11250	11100	10700	150	550
Federal	2150	2250	2300	-100	-150
State	5100	4950	4700	150	400
Local	4000	3900	3700	100	300

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Mining, services and miscellaneous employment decreased slightly. Finance, insurance and real estate remained stable.

Transportaiton, communication and utilities employment decreased 4% during the month. This decline was felt throughout the industry, except for the water transportation sector which had a slight employment increase.

Employment in the trade industry decreased 9% over the month. Seasonal downturns in the other retail trade sector contributed greatly to this decline. All other sectors in the industry also experienced declines.

Government employment increased by 150 jobs. Overall, state government increased 3%. State noneducation employment increased 5%. Most of this increase can be attributed to the start of the legislature. State education employment decreased 19% or 70 jobs during the month. Local government increased by 100 jobs, presumably due to hiring of snow removal crews. Federal government decreased by 100 jobs.

HOURS AND EARNINGS IN DECEMBER

By Su Nelson

Lumber and paper products exhibited the largest over-the-month change in December. This industry felt the effects of further winter closings which curtailed working hours in both logging camps and pulp mills, while activity in sawmills remained stable. The net effect of this was a 14% drop in both average weekly hours and average weekly earnings.

Though food and kindred products showed a slight rise in average weekly earnings over the month, these earnings were still 7% lower than one year ago. A large part of this was due to this year's poor crab season. December's catch of king crab alone was 42% lower than one year ago.

The transportation, communication and utilities industry exhibited an expected drop in both pay and hours due to new line construction and installation being mostly completed. The results were a 3% drop in average hourly wage and a 6% drop in average weekly hours. These two declines combined to create a 9% drop in average weekly earnings.

Both hours and earnings in the construction industry returned to a level almost exactly that of October's, with fewer overtime hours worked than in November.

Finance, insurance and real estate showed a 4% drop in earnings. This downturn occurred primarily due to workers in the finance and insurance sectors earning less. Real estate workers' wages remained stable.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 12/81	r/ 11/81	12/80	p/ 12/81	r/ 11/81	12/80	p/ 12/81	r/ 11/81	12/80
MINING	20.81	20.66	18.15	52.2	52.6	50.1	1086.28	1086.72	909.32
CONTRACT CONST	22.09	22.96	22.66	44.7	43.3	46.2	987.42	994.17	1046.89
MANUFACTURING	12.69	12.63	11.60	33.9	35.3	36.0	430.19	445.84	417.60
Food & Kindred Prod	8.80	8.53	8.08	29.4	29.8	34.6	258.72	254.19	279.57
Lumber & Paper Prod	15.37	15.40	14.47	35.3	40.9	39.5	542.56	629.86	571.57
TRANS., COMM. & UTIL.	14.82	15.28	12.90	35.6	37.8	37.8	527.59	577.58	487.62
TRADE	9.41	9.43	9.06	34.4	34.3	34.8	323.70	323.45	315.29
Wholesale Trade	11.44	11.35	11.37	36.9	37.4	38.0	422.14	424.49	432.06
Retail Trade	8.59	8.62	8.32	33.5	33.2	33.8	287.77	286.18	281.22
FINANCE, INS. & R.E.	--	--	--	--	--	--	334.91	349.43	306.67

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

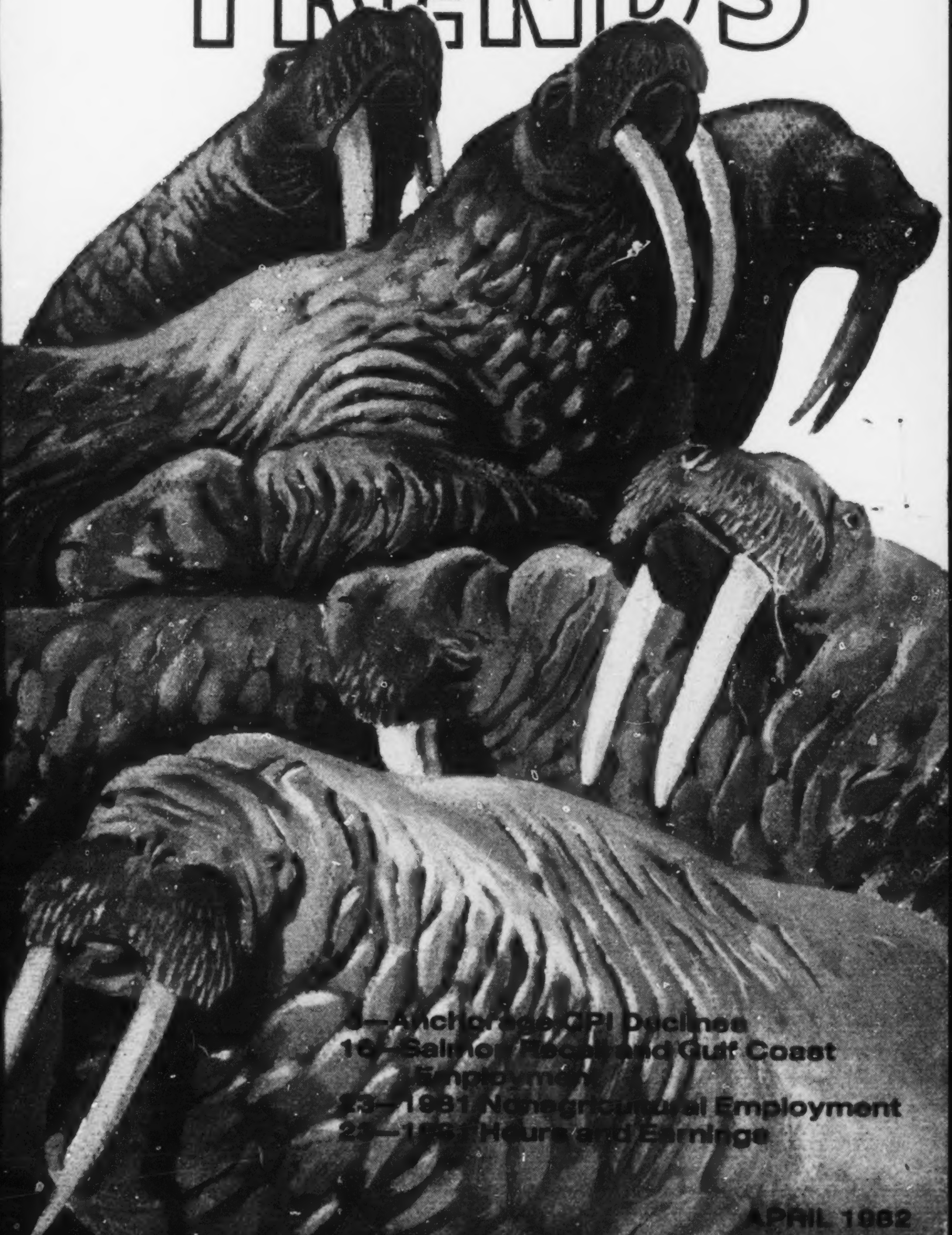
2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

APR 20 1982 S 0320-1

ALASKA ECONOMIC TRENDS



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23—1981 Nonagricultural Employment
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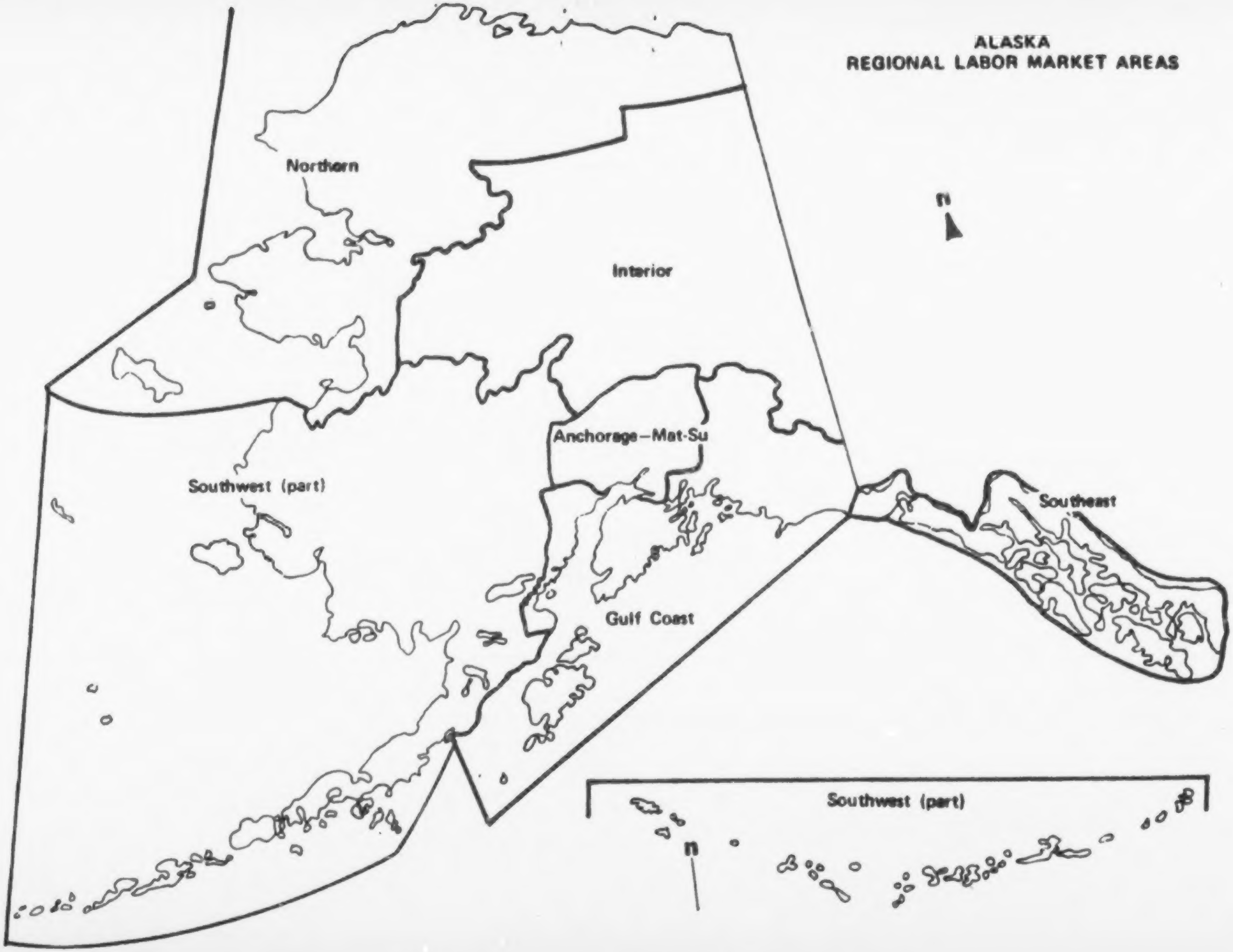
APRIL 1982

ALASKA
REGIONAL LABOR MARKET AREAS


Northern
n
Interior
Anchorage-Mat-Su
Southwest (part)
Southeast
Gulf Coast
Southwest (part)
n

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ALASKA LABOR FORCE IN FEBRUARY

By Sally Saddler

Alaska's unemployment rate (not seasonally adjusted) increased 0.1 percentage point in February to 11.3%. This was just short of two percentage points higher than the corresponding U.S. rate of 9.6%. Alaska's rate rose from last February when it was 11.1%, while the U.S. rate increased over the year from 8.0%. Unemployment rates for Alaska and the U.S. have steadily climbed since August 1981 (see graph). While this is common in Alaska where the labor force is so integrally linked to the highly seasonal industries of construction, fishing and tourism, it is not common for the rest of the country.

According to revised January unemployment figures, 19 states experienced double digit unemployment rates. Alaska ranked fourteenth among the states with the highest unemployment rates. Those states with higher rates were primarily industrial states in the South, Midwest and Pacific Northwest that have been hard hit by the country's worst recession since at least 1975. Michigan had the highest unemployment rate for January at 16.0%, followed by Alabama at 14.7%. Oregon, Washington and Idaho ranked 5th, 6th, and 8th, with respective rates of 12.7%, 12.4%, and 12.2%. Alaska had a 11.3% unemployment rate.

Alaska's position is expected to improve as seasonal activity gets underway in April and May. Alaska's immunity to increasing unemployment rates during the next few months will depend heavily upon the impact of immigration of those out-of-state job seekers who still view Alaska as the land of opportunity. Should the number of unemployed job seekers increase at a faster rate than the number of job opportunities, Alaska's unemployment rate may not improve.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P/ 2/82	R/ 1/82	2/81	CHANGES FROM: 1/82	CHANGES FROM: 2/81
Nonag. Wage & Salary	173500	172100	162800	1400	10700
Mining	7700	7600	7100	100	600
Construction	10000	10200	8200	-200	1800
Manufacturing	7900	7700	8700	200	-800
Food & Kindred Prod.	3000	3100	3800	-100	-800
Lumber & Paper Prod.	2200	2000	2300	200	-100
All Other Mfg.	2700	2600	2600	100	100
Trans. Comm. & Util.	17000	17200	16400	-200	600
Trucking & Wheeing.	2200	2200	1700	0	500
Water Transportation	900	1000	1100	-100	-200
Air Transportation	5100	5200	5200	-100	-100
Other Transportation Comm. & Utilities	8800	8800	8400	0	400
Trade	30600	30800	28800	-200	1800
Wholesale Trade	6300	6300	5400	0	900
Retail Trade	24300	24500	23400	-200	900
Gen. Merchandise & Apparel	3900	4000	3900	-100	0
Food Stores	4300	4400	4300	-100	0
Eating & Drinking Places	8500	8300	7600	200	900
Other Retail Trade	7600	7800	7600	-200	0
Finance-Ins. & R. Estate	8600	8600	7900	0	700
Services & Misc.	31200	31100	29100	100	2100
Government	60500	58900	56600	1600	3900
Federal Government	17900	17500	17600	400	300
State Government	17900	16900	16000	1000	1900
Local Government	24700	24500	23000	200	1700

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

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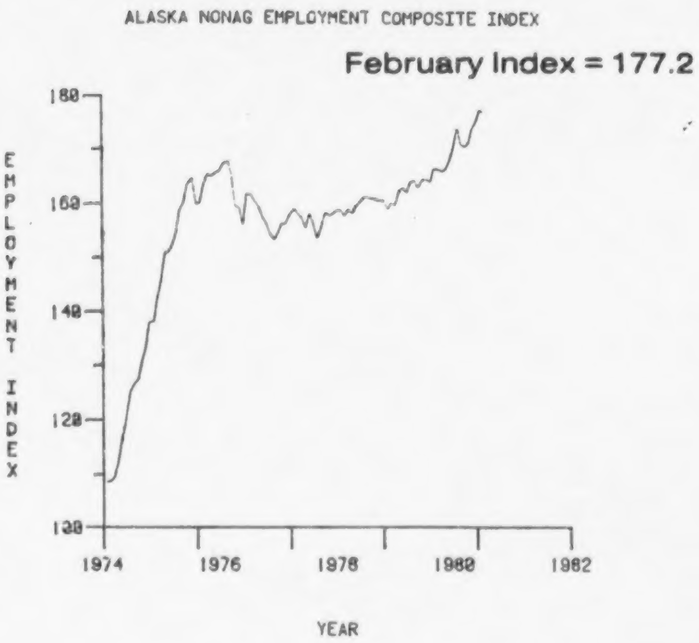
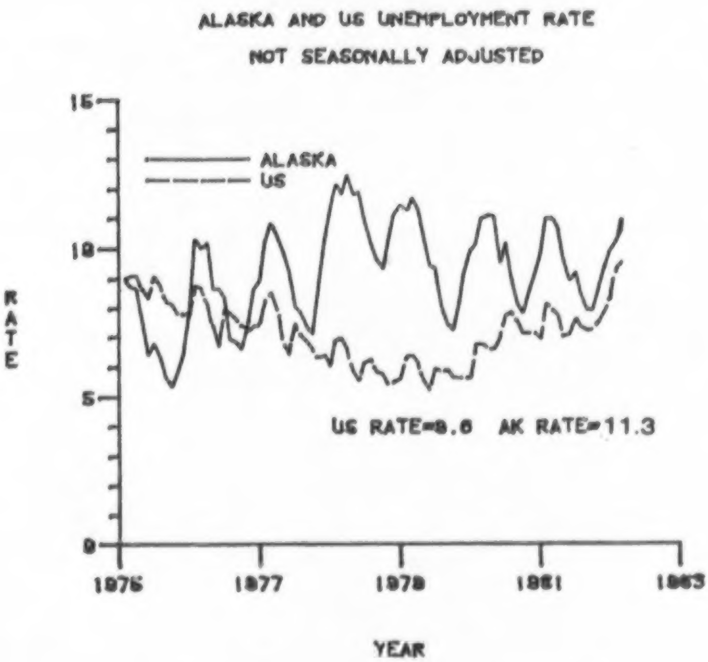


LABOR SURPLUS AREAS

This month the U.S. Department of Labor, Employment and Training Administration released an update to its annual report of labor surplus areas. Seven new areas were classified as having surplus labor which makes a total of 1,139 areas nationwide. Twenty-five of those areas are in Alaska. Those four of Alaska's 29 census divisions excluded are the Aleutian Islands, Anchorage, Barrow, and Juneau. Classification of surplus areas is designed to target areas of high unemployment for federal government procurement contracts. Employers in a labor surplus area are entitled to bidding preferences on federal contracts. To qualify as a labor surplus area, an area must have had an average unemployment rate greater than or equal to 7.9%, which is 1.2 times the national rate of 6.6%. These classifications are in effect through May 31, 1982. At that time, few, if any, of Alaska's census divisions are expected to change classification. While these data have limited practical application, they do indicate persistently high annual average unemployment rates throughout most areas of the state. During February all but nine census divisions experienced double digit unemployment rates.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

During February Alaska's nonagricultural wage and salary employment increased 1% over the prior month which is typical for this time of the year. Employment changes over the month were not greater than 200 jobs in any industry except government. Increased government employment was predominantly the result of classes having reconvened after winter break at the University of Alaska.

The composite wage and salary index, which measures the sum of seasonally adjusted industry employment relative to base year 1972, declined slightly for the first time in four months. This same trend occurred last February, however, seasonally adjusted employment has exhibited more strength during the beginning of 1982 than occurred during 1981.

The extent to which seasonal employment expands will depend heavily upon two factors; the continuation of Alaska's growth in construction, and the impact of the canned salmon recall. Despite recent declines in Alaska's oil tax revenue and resulting decreases in state budget expenditures, construction (prime beneficiary of oil revenues) is expected to contribute significantly to employment growth. Much of this growth will be the result of funds appropriated in past years. Large existing inventories of salmon combined with the salmon recall that resulted from the botulism death of a Belgian man may restrict employment growth in those industries closely associated with the fishing industry. These factors come into play during predictions of a record salmon run this year. Employment in not only seafood processing, but employment in transportation, fish tendering, cold storage and vessel maintenance and operation may also be affected.

ANCHORAGE-MATSU LABOR FORCE IN FEBRUARY

By Greg Huff

The Anchorage unemployment rate in February was the same as the January rate of 8.1%. The MatSu rate registered 14.7%, declining over the month from 15.2%. Stability in Anchorage occurred as the number of employed and unemployed increased at approximately the same rate. In the Matanuska-Susitna area, the number of unemployed declined while employment increased. Last February, rates were 7.8% and 15.6% in Anchorage and MatSu, respectively.

Signaling the end of the winter downturn Anchorage nonagricultural wage and salary employment rose above the January level by 600 jobs. The only industries that experienced seasonal layoffs were construction and trade. All other sectors registered gains or remained stable in February. Post Christmas season layoffs in retail trade were again responsible for the declines in trade employment. Both the trade and construction industries are expected to record employment increases next month. During the course of the seasonal summer gains, trade employment will get a boost with the expected opening of several restaurants in Anchorage and expansion of the Dimond Mall. Construction employment this season will again experience growth similar to the 1981 season. However, continued delays of Project 80's art and convention centers will dampen employment growth.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ANCHORAGE

				CHANGES FROM:	
	P/	*R/*			
	2/82	**1/82**	**2/81**	**1/82**	**2/81**
Nonag. Wage & Salary......	83400	82800	76000	600	7400
Mining	3300	3200	2500	100	800
Construction	5500	5550	4150	-50	1350
Manufacturing	1700	1650	1450	50	250
Food & Kindred Prod.....	300	250	250	50	50
Other Mfg.	1400	1400	1200	0	200
Trans. Comm. & Util.	8200	8150	7700	50	500
Trucking & Whseing.	1050	1050	950	0	100
Water Transportation	250	250	200	0	50
Air Transportation	3100	3000	3050	100	50
Other Transportation Comm. & Utilities	3800	3850	3500	-50	300
Trade	17950	18100	16200	-150	1750
Wholesale Trade	4400	4350	3950	50	450
Retail Trade..............	13550	13750	12250	-200	1300
Gen. Merchandise	1800	1900	1700	-100	100
Food Stores.............	2100	2100	1950	0	150
Eating & Drinking Places	4650	4600	4100	50	550
Other Retail Trade	5000	5150	4500	-150	500
Finance-Ins. & R. Estate ..	5750	5750	5150	0	600
Services & Misc...........	17400	17050	16450	350	950
Government	23600	23350	22400	250	1200
Federal	9650	9700	9400	-50	250
State	6100	5850	5400	250	700
Local.....................	7850	7800	7600	50	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

				CHANGES FROM:	
	P/	*R/*			
	2/82	**1/82**	**2/81**	**1/82**	**2/81**
Nonag. Wage & Salary......	86700	86250	78950	450	7750
Mining	3350	3300	2600	50	750
Construction	5700	5750	4250	-50	1450
Manufacturing	1750	1750	1450	0	300
Trans. Comm. & Util.	8450	8400	8000	50	450
Trade	18650	18850	16850	-200	1800
Finance-Ins. & R. Estate ..	5850	5850	5250	0	600
Services & Misc...........	17800	17500	16750	300	1050
Government	25150	24850	23800	300	1350

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

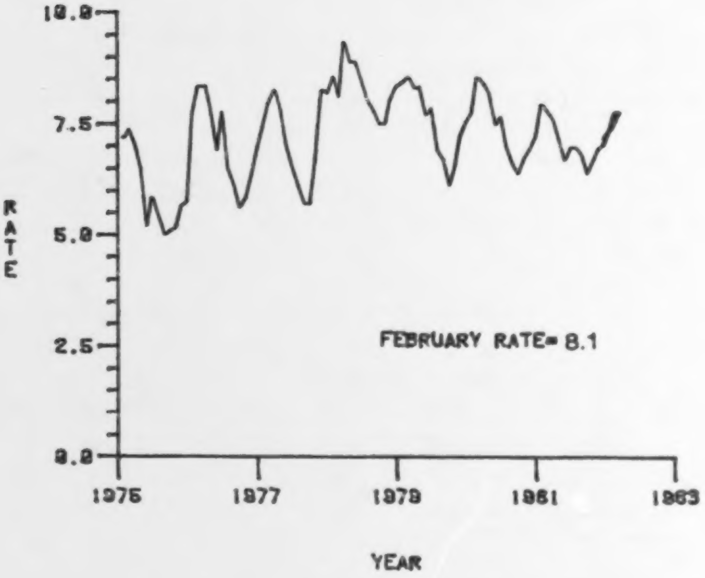
R/ Denotes revised estimates.

CONSUMER PRICE INDEX

Recently the Bureau of Labor Statistics (BLS) released some good news for the consumer. The 1981 annual average Consumer Price Index for All Urban Consumers (CPI) fell below the double digit level, and increased 8.0% over the 1980 index. In other words, prices of consumer goods and services rose an average of 8.0% over year ago prices. This was the lowest increase since 1978, when prices rose 7.1%. The January 1982 index, at 253.0, increased 5.4% over the previous January and decreased from the November index of 253.7. This means that inflation decreased from November to January. Primary reason for the dampening of inflation in 1981 and the decline in the bimonthly index was the housing component of the index.

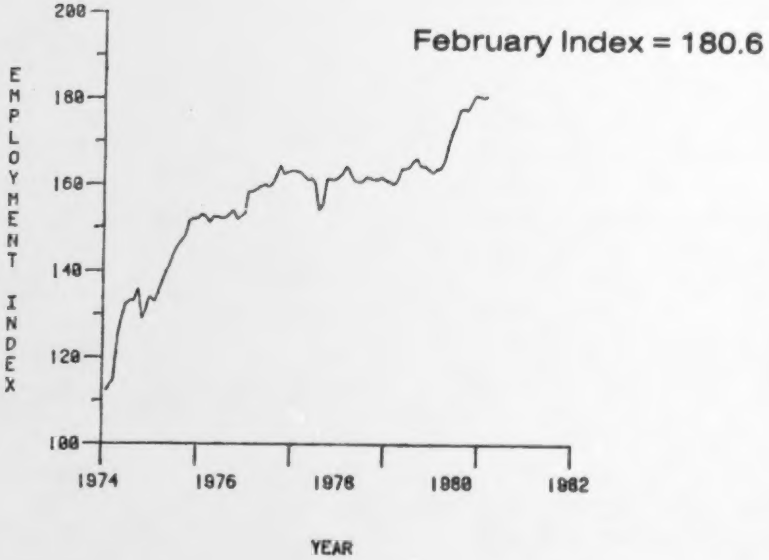
The housing component is broken into three parts; shelter, fuel and utilities, and household furnishings and operation. Shelter is further broken down into rental and home ownership cost. The home ownership component is based on house prices,

ANCHORAGE UNEMPLOYMENT RATE



FEBRUARY RATE= 8.1

ANCHORAGE NONAG EMPLOYMENT COMPOSITE INDEX



February Index = 180.6

mortgage interest rates, property taxes and insurance and maintenance cost. While the 1981 annual average CPI housing component for Anchorage rose 7.6% above 1980, this was less than the rise in 1979 and 1980. Intuitively, the index does not appear to reflect the true housing inflation picture in Anchorage, where home prices rose anywhere from 12% to 18% over year ago prices and (AHFC) mortgage rates rose from 10% to 12 ⅜% on the first $90,000, and from 10.25% to 19.41% for the balance. Other items in the home ownership component also went up to some degree and rents increased from 10% to 20%, or more. The rental section of the shelter component has generally reflected rent increases experienced in Anchorage.

Changes in the home ownership section have been lagging considerably behind what would seem to be the real increases in home ownership cost. According to the BLS this is the reason they are planning to convert to a new method intended to more accurately reflect the cost of owning a home. The primary disadvantage with the present methodology, says the BLS, is it uses a very small sample which carries a very large weight on the overall CPI.

FAIRBANKS/INTERIOR LABOR FORCE IN FEBRUARY

By Neal Fried

Almost on cue, the Fairbanks economy began to shed the winter doldrums in February as employment grew for the first time since November. February is normally a transition month, when seasonal layoffs no longer occur and the economy begins to stir for the upcoming summer season. The growth which did occur was slight. Fairbanks wage and salary employment grew by 100 which was less than a 1% increase over the month.

The labor force statistics also indicated growth in employment. Unemployment figures indicated a slight over-the-month improvement. The unemployment rate registered at 15.2% compared to 15.8% in January, but was 3.9 percentage points above the statewide rate and 5.6 percentage points above the national rate. Over-the-year comparisons continued to indicate growth in employment but at the same time growth in the number of unemployed. This caused an increase in the unemployment rate somewhat above the year-ago level. Whether this will continue to be true during the remainder of the year depends on the number of new job seekers that join the Fairbanks labor force. If this number is greater than the number of new jobs, the rate will continue to remain above the year ago level.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	P/	*R/*			
	2/82	**1/82**	**2/81**	**1/82**	**2/81**
Nonag. Wage & Salary	20850	20750	20300	100	550
Mining	0	50	0	-50	0
Construction	1300	1350	1250	-50	50
Manufacturing	450	450	600	0	-150
Trans. Comm. & Util.	2500	2500	2450	0	50
Trucking & Whseing.	350	400	350	-50	0
Air Transportation	650	600	600	50	50
Other Trans. Comm. & Utilities	1500	1500	1500	0	0
Trade	3800	3800	3600	0	200
Wholesale Trade	700	700	700	0	0
Retail Trade	3100	3100	2900	0	200
Gen. Merchandise & Apparel	350	400	350	-50	0
Food Stores	600	550	550	50	50
Other Retail Trade	2150	2150	2000	0	150
Finance-Ins. & R. Estate	750	750	700	0	50
Services & Misc.	3850	3750	3600	100	250
Government	8200	8100	8100	100	100
Federal	2250	2300	2300	-50	-50
State	3650	3500	3600	150	50
Local	2300	2300	2200	0	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/		CHANGES FROM:	
	2/82	1/82	2/81	1/82	2/81
Nonag. Wage & Salary......	24300	24000	23550	300	750
Mining	200	200	150	0	50
Construction	1400	1450	1250	-50	150
Manufacturing	550	600	750	-50	-200
Trans. Comm. & Util.	3350	3350	3200	0	150
Trade	4000	4000	3800	0	200
Finance-Ins. & R. Estate ..	750	750	750	0	0
Services & Misc.	4200	4100	3950	100	250
Government	9850	9550	9700	300	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

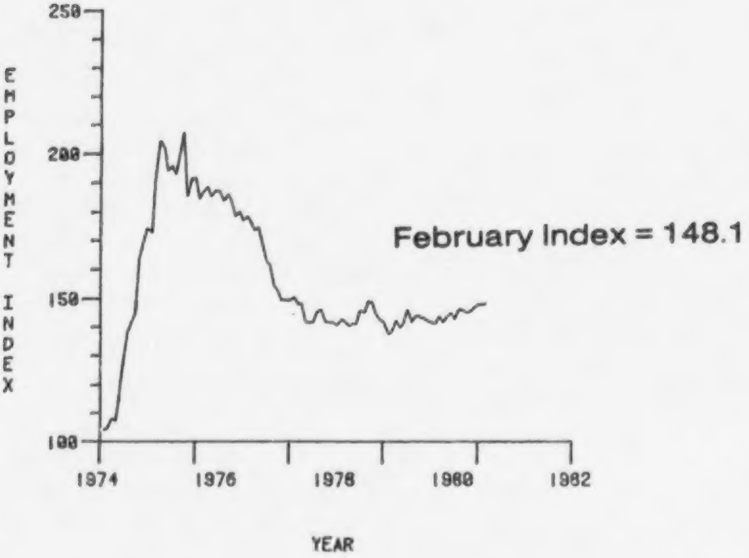
P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

CONSUMER PRICE INDEX

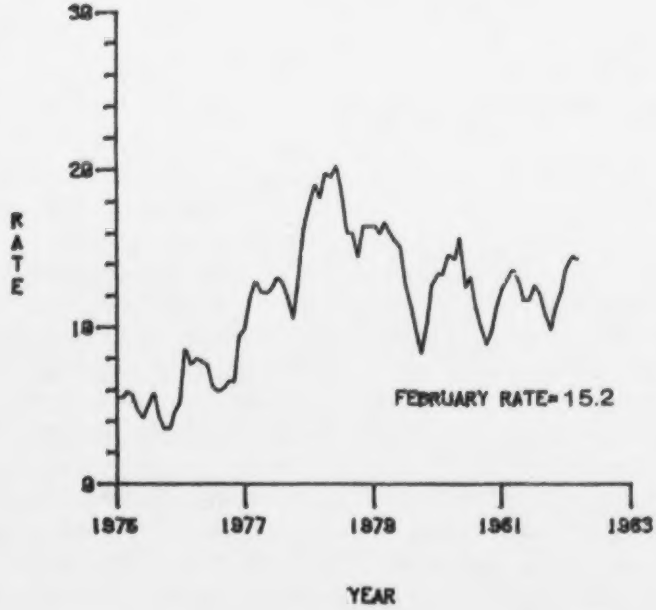
Since the inception of the Fairbanks Consumer Price Index, (throughout the article, the Consumer Price Index for All Urban Consumers is referenced) prices have increased slower in Fairbanks than for the nation. In 1979 and 1980, the explanation for this was the fact that the Fairbanks economy had a good deal of post pipeline slack in it, and therefore there were few pressures put on local factors that would push the index up even further. However, in 1981, the Fairbanks economy began to turn around with employment growing, population growing and certain pressures beginning to build. Housing in particular became a scarcer commodity causing vacancy rates to fall to new lows and housing and rental prices to increase rapidly. This has shown up to an extent in the rental component of the 1981 CPI, which increased by 10.3%, but the home ownership component apparently lagged behind, indicating only a 4.8% increase over December 1980 prices. These increases in

FAIRBANKS NONAG EMPLOYMENT COMPOSITE INDEX



February Index = 148.1

FAIRBANKS UNEMPLOYMENT RATE



FEBRUARY RATE= 15.2

1981 were apparently not enough to push the change in the Fairbanks CPI above the national increase, but this trend is not expected to continue during 1982-1983.

With the nation presently in the throes of a severe recession, downward pressures on prices will likely continue for much of 1982. This will have the effect of keeping downward pressure on prices of goods and services in Alaska because so many goods and services purchased locally originate elsewhere in the nation. On the other hand, local factors such as housing will put upward pressures on the index. The end result may be that the Fairbanks CPI will more closely mirror the rest of the nation's. In the longer term, if projects such as the gas pipeline get underway, price increases will surpass the nation's, somewhat reminiscent of the oil pipeline experience.

EDITOR'S NOTE: *At press time it was learned that due to budget constraints, the Bureau of Labor Statistics will no longer produce a Fairbanks CPI. February will be the last month for which data will be produced.*

GULF COAST LABOR FORCE IN FEBRUARY

By Neal Fried

February is typically a mixed month in the Gulf Coast region, with some industries experiencing losses, some realizing gains, and others remaining at existing levels. The overall effect this February was a loss in employment reflected by the increased number of unemployed and the higher unemployment rate of 17.0% which was the highest regional rate in the state.

FISH PROCESSING

The lion's share of employment loss was in manufacturing, in particular the fish processing segment. This loss was not unusual, for employment in this industry changes dramatically from month to month, season to season, and year to year. These changes are reflected by changes in the unemployment rate over a year. Rates can fluctuate by as much as 9 points which is a wider fluctuation than found in any other region. For example, in 1981 the high rate was 16.6% in February and the low point was 7.8% in August, directly correlated with the fishing industry's high and low points of activity. Fishing is by no means the only industry which contributes to these wild swings, for construction and tourism are also very seasonal. However, by virtue of the size of seafood processing (16.4% of total wage and salary employment), the entire Gulf Coast labor force sways with the fishing industry. Levels of employment between peak summer months of the salmon harvest, and winter months of smaller volume shellfish harvest can differ as much as 4,000-4,500 and average 2,700 over an entire year. From year to year, the swings are not as dramatic, but there is nothing gradual or predictable about employment levels. Over the past 5 years, employment has waxed and waned a number of times, depending on the particular year's harvest.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 2/82	R 1/82	2/81	P 2/82	R 1/82	2/81	P 2/82	R 1/82	2/81	P 2/82	R 1/82	2/81
Alaska Statewide	195832	192052	180318	22200	21509	20045	11.3	11.2	11.1	173632	170543	160273
Anch.-MatSu Region.....	99027	97546	88150	8699	8605	7594	8.8	8.8	8.6	90328	88941	80556
Anchorage.............	89219	87825	79307	7262	7126	6216	8.1	8.1	7.8	81957	80699	73091
Matanuska-Susitna	9808	9721	8843	1437	1479	1378	14.7	15.2	15.6	8371	8242	7465
Gulf Coast Region	21626	21051	20558	3669	3199	3409	17.0	15.2	16.6	17957	17852	17149
Cordova	1119	1108	1066	158	152	148	14.1	13.7	13.9	961	956	918
Kenai	11189	11009	10474	2039	1913	1736	18.2	17.4	16.6	9150	9096	8738
Kodiak	4818	4600	4729	718	524	813	14.9	11.4	17.2	4100	4076	3916
Seward	1572	1506	1491	291	233	268	18.5	15.5	18.0	1281	1273	1223
Valdez	2928	2828	2798	463	377	444	15.8	13.3	15.9	2465	2451	2354
Interior Region	26444	25973	24799	4036	4071	3516	15.3	15.7	14.2	22408	21902	21283
Fairbanks	21536	21194	20096	3271	3343	2749	15.2	15.8	13.7	18265	17851	17347
Southeast Fairbanks...	2151	2095	2024	319	304	284	14.8	14.5	14.0	1832	1791	1740
Upper Yukon	651	620	655	105	86	136	16.1	13.9	20.8	546	534	519
Yukon-Koyukuk........	2106	2064	2024	341	338	347	16.2	16.4	17.1	1765	1726	1677
Northern Region	9063	8857	8418	721	730	748	8.0	8.2	8.9	8342	8127	7670
Barrow-North Slope ...	2424	2355	2206	174	163	137	7.2	6.9	6.2	2250	2192	2069
Kobuk..................	2857	2773	2625	268	251	245	9.4	9.1	9.3	2589	2522	2380
Nome	3782	3729	3587	279	316	366	7.4	8.5	10.2	3503	3413	3221

Southeast Region	29752	29017	28391	4007	3895	3618	13.5	13.4	12.7	25745	25122	24773
Angoon	413	392	432	72	59	104	17.4	15.1	24.1	341	333	328
Haines	1007	980	1029	138	132	193	13.7	13.5	18.8	869	848	836
Juneau..................	10295	9991	9798	950	873	805	9.2	8.7	8.2	9345	9118	8993
Ketchikan	6399	6264	6072	983	979	861	15.4	15.6	14.2	5416	5285	5211
Outer Ketchikan	920	889	782	282	266	168	30.7	29.9	21.5	638	623	614
Prince of Wales	1389	1385	1427	198	223	281	14.3	16.1	19.7	1191	1162	1146
Sitka	4301	4165	4038	525	481	405	12.2	11.5	10.0	3776	3684	3633
Skagway	1504	1466	1426	245	237	214	16.3	16.2	15.0	1259	1229	1212
Wrangell-Petersburg.............	3524	3485	3387	614	645	587	17.4	18.5	17.3	2910	2840	2800
Southwest Region	9920	9608	10002	1068	1009	1160	10.8	10.5	11.6	8852	8599	8842
Aleutian Islands........	2584	2499	2582	177	161	178	6.8	6.4	6.9	2407	2338	2404
Bethel..................	3199	3123	3264	383	387	451	12.0	12.4	13.8	2816	2736	2813
Bristol Bay Borough ...	373	369	370	55	60	53	14.7	16.3	14.3	318	309	317
Bristol Bay	1301	1282	1333	112	127	146	8.6	9.9	11.0	1189	1155	1187
Kuskokwim	904	880	909	136	134	142	15.0	15.2	15.6	768	746	767
Wade Hampton........	1559	1455	1544	205	140	190	13.1	9.6	12.3	1354	1315	1354

P/×Preliminary   *R*/=Revised   1981 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Due to a technical revision, these rates supersede those contained in the March 22, 1982 News Release.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	2/82	1/82	2/81	1/82	2/81
Nonag. Wage & Salary......	14700	14750	14450	-50	250
Mining	850	850	850	0	0
Construction	600	600	500	0	100
Manufacturing	2150	2400	2350	-250	-200
Food & Kindred Prod.....	1400	1650	1400	-250	0
All Other Mfg.	750	750	950	0	-200
Trans. Comm. & Util.	1650	1600	1600	50	50
Trade	2200	2200	2050	0	150
Wholesale Trade	350	350	300	0	50
Retail Trade..............	1850	1850	1750	0	100
Finance-Ins. & R. Estate ..	450	450	450	0	0
Services & Misc...........	2400	2350	2300	50	100
Government	4400	4300	4350	100	50
Federal	500	500	550	0	-50
State	1250	1250	1250	0	0
Local.....................	2650	2550	2550	100	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

It is not only the volume of the catch taken in the Gulf Coast that influences employment levels, but also what occurs statewide. This is because many Gulf Coast processors process fish caught in Bristol Bay and elsewhere in the state when local processors in these areas cannot handle the volume. Weather, other natural phenomena, previous exploitation levels, economic conditions, and other unforeseen circumstances can influence each year's catch. The 1982 season may be a case in point. Presently world salmon prices are depressed because of large existing inventories. This is compounded by the recent botulism scare which has caused Alaskan salmon to be banned from important sectors of the European market. This may put further downward pressures on prices. Though a good salmon run is predicted this year, if processors feel they will not be able to sell their product, they may very well limit the amount of fish they are willing to accept from fishermen. At the same time, prices could be so low it might not pay for many fishermen to fish. In both cases this could mean a lower volume of fish harvested and therefore less employment would be created. This is an example of circumstances which would have been difficult to predict but which might cause dramatic changes in employment levels in the fishing industry in 1982.

Despite the capricious nature of the fish processing industry, employment has grown by 43% over the past 8 years. This may have occurred because of improved management techniques combined with favorable natural conditions. No dramatic increases in volume of fish are predicted in the near future, although there is the possibility of harvest growth resulting from hatchery bred fish and other fishery enhancement programs. Nature's ways will continue to also be a major factor in month-to-month, and year-to-year catch levels; therefore, even if perfect management techniques were possible, employment in the industry would remain unpredictable.

SOUTHEAST LABOR FORCE IN FEBRUARY

By Debbie Berggren

The seasonal upward trend started, with nonagricultural wage and salary employment increasing 350 jobs during February. The largest employment increase occurred in the manufacturing industry. Employment in lumber and paper products increased by 200 jobs while food and kindred products employment remained stable. Seafood processing employment increased slightly. It is presently uncertain what seafood processing employment will do this year. A statewide record run of 135 million salmon is predicted for the 1982 season. This figure exceeds the previous record set in 1936 of 126.4 million salmon. On February 18th, the federal Food and Drug Administration informed consumers that salmon canned at the NEFCO-Fidalgo plant in Ketchikan during 1980 and 1981 may be contaminated and should be returned. Great Britain has banned Alaska salmon from the market following the botulism death of a Belgian man. An investigation into the matter lead to the recall of as many as 10 million one-half pound cans of salmon. If a defective can is found from a cannery all one-half pound cans from that cannery will be recalled. So far, 21 defective cans from 6 different Alaska canneries have been found. However, only the can which caused the death has contained botulism toxin. The impact the recall will have on the industry is immeasurable. It is feared that the botulism death and recall could cause the already soft foreign markets to crumble. Along with weak markets, high interest rates and shortfalls in production capabilities are problems to be faced.

Employment in the construction, trade and finance insurance and real estate industries remained stable over the month.

Federal government, mining, services and miscellaneous industries experienced slight employment decreases over last month.

Overall, government employment increased by 100 jobs. State government increased 2% during the month, with all of the increase in the education sector.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	P/	R/			
	2/82	1/82	2/81	1/82	2/81
Nonag. Wage & Salary	25100	24750	24600	350	500
Construction	850	850	750	0	100
Manufacturing	2350	2150	2850	200	-500
Food & Kindred Prod.	450	450	850	0	-400
Lumber & Paper Prod.	1650	1500	1750	150	-100
All Other Mfg.	250	200	250	50	0
Trans. Comm. & Util.	2400	2300	2300	100	100
Trade	3750	3750	3450	0	300
Wholesale Trade	350	350	350	0	0
Retail Trade	3400	3400	3100	0	300
Finance-Ins. & R. Estate	1000	1000	1100	0	-100
Mining, Services & Misc.	3400	3450	3250	-50	150
Government	11350	11250	10900	100	450
Federal	2100	2150	2250	-50	-150
State	5200	5100	4800	100	400
Local	4050	4000	3850	50	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

HOURS AND EARNINGS IN JANUARY

By Su Nelson

Average hourly earnings in the mining industry showed a typical increase from December to January. After the initial start-up in September or October, wages in this industry usually increase slightly each month as long as oil and gas firms are in full production.

Due to a break in sample series, average hours and earnings estimates for construction are not comparable to those of the past two years. This break was necessitated by a large turnover in sample during 1981. Data in all other industries remains comparable to year ago figures.

The manufacturing industry showed little change in average hourly earnings in any of its components. It did, however, reflect some significant economic activity in the average weekly hours. A 27% increase in average weekly hours worked in the lumber and wood products industry, plus a 6% rise in average weekly hours worked in seafood processing, contributed to the 12% upturn in overall manufacturing hours. Though employment remained steady in the lumber and paper products industry, several firms showed notable increases in average weekly hours. It seems that some of those sawmills and pulp mills still in business, who were previously shut down or working very short hours, are now working at an almost full-time level, while logging camps still suffer the effects of poor markets and winter closing.

Wage and hour activity in other industries showed little change in January. Trade exhibited a general decrease in average weekly hours and slight rises in average hourly earnings, both due to layoff of temporary holiday help.

1981 NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BENCHMARK

Once each year Research and Analysis benchmarks current monthly nonagricultural employment. During this process most recent wage and salary employment, as reported by employers subject to Alaska unemployment insurance laws, is substituted for estimates. Due to data processing revisions the 1981 Benchmark will not be completed. The following tables summarize 1981 current monthly estimates for each of Alaska's estimating regions based upon the 1980 Benchmark.

1981 HOURS AND EARNINGS FOR SELECTED INDUSTRIES

Following the nonagricultural wage and salary employment tables are monthly 1981 hours and earnings data. Data are comparable to previously published series as far back as January 1978. If an historical series is desired please contact Sally Saddler, Editor, **Alaska Economic Trends.**

Nonagricultural Wage and Salary Employment
By Place of Work
ALASKA
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	161100	162800	165500	171000	176700	184700	192000	189700	186500	182800	179000	176000	177300
Mining	7100	7100	7500	8000	8200	8200	7900	7700	7500	7500	7600	7600	7700
Construction	8100	8200	8400	9500	10900	12900	14800	15700	16300	15500	13400	11800	12100
Manufacturing	8400	8700	9900	11700	12600	15300	19800	17500	12900	10500	8900	7900	12000
Food & Kind. Prod.	3700	3800	4500	5600	5900	8400	13200	11200	6900	4800	3900	3200	6300
Lum. & Paper Prod.	2100	2300	2300	3400	3700	3700	3400	3000	2700	2500	2200	2000	2800
All Other Mfg.	2600	2600	2600	2700	3000	3200	3200	3300	3300	3200	2800	2700	2900
Trans. Comm. & Util.	16400	16400	16800	17000	18100	19000	19500	19100	19400	18000	17600	17400	17900
Trucking & Whse.......	1700	1700	1800	1900	1900	2200	2300	2100	2200	2100	2100	2200	2000
Water Trans.	900	1100	1200	1200	1500	1600	1800	1800	1800	1300	1200	900	1400
Air Transportation	5200	5200	5300	5400	5800	6100	6300	6200	6000	5600	5400	5300	5700
Other Trans. Comm. & Utilities	8600	8400	8500	8500	8900	9100	9100	9000	9400	9000	8900	9000	8900
Trade	28600	28800	28400	29300	30500	31800	32200	32100	32300	32300	32000	32000	30900
Wholesale Trade.......	5300	5400	5500	5700	6000	6100	6300	6300	6200	6200	6300	6300	6000
Retail Trade...........	23300	23400	22900	23600	24500	25700	25900	25800	26100	26100	25700	25700	24900
Gen. Merchandise & Apparel............	4100	3900	3900	4100	4100	4400	4400	4300	4300	4400	4100	4300	4200
Food Stores	4200	4300	4000	4000	4200	4400	4400	4300	4500	4400	4500	4500	4300
Eating & Drinking Places	7400	7600	7700	7900	8400	8900	9100	9200	9100	9200	9000	8800	8500
Other Retail Trade ...	7600	7600	7300	7600	7800	8000	8000	8000	8200	8100	8100	8100	7900
Finance-Insurance & Real Estate...........	8000	7900	8100	8200	8500	8700	8700	8800	8700	8700	8800	8700	8500
Services & Misc.........	28700	29100	29400	30100	30900	32200	32600	32500	32700	32400	31700	31400	31100
Government	55800	56600	57000	57200	57000	56600	56500	56300	56700	57900	59000	59200	57200
Federal Government...	17900	17600	17400	17300	17500	17900	18300	18200	17500	17500	17600	17700	17700
State Government....	15500	16000	16500	16600	16200	16400	16900	16200	16700	17200	17100	17300	16600
Local Government ...	22400	23000	23100	23300	23300	22300	21300	21900	22500	23200	24300	24200	22900

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 1/82	r/ 12/81	1/81	p/ 1/82	r/ 12/81	1/81	p/ 1/82	r/ 12/81	1/81
MINING	21.30	20.81	20.39	52.3	52.3	51.6	1113.99	1088.36	1052.12
CONTRACT CONST.3/	22.41	22.24	19.93	43.3	44.4	47.3	970.35	987.46	942.69
MANUFACTURING	12.80	12.57	12.13	38.2	34.1	32.5	488.96	428.64	394.23
Food & Kindred Prod.	8.53	8.60	8.01	31.9	30.0	27.8	272.11	258.00	222.68
Lumber & Paper Prod.	15.47	15.37	15.17	44.5	35.3	36.1	688.42	542.56	547.64
TRANS., COMM. & UTIL.	14.95	14.97	13.54	37.0	36.7	37.2	553.15	549.40	503.69
TRADE	9.64	9.42	9.54	33.6	34.5	33.2	323.90	324.99	316.73
Wholesale Trade	11.51	11.43	11.39	36.2	37.4	37.3	416.66	427.48	424.85
Retail Trade	8.84	8.59	8.84	32.6	33.5	31.9	288.18	287.77	282.00
FINANCE, INS. & R.E.	--	--	--	--	--	--	343.75	334.91	300.94

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample,1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Nonagricultural Wage and Salary Employment
By Place of Work
ANCHORAGE-MATSU
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	78600	78950	80500	83150	86450	89850	92050	93100	92650	92450	90950	89400	87300
Mining	2450	2600	2800	3050	3300	3400	3300	3300	3250	3300	3300	3300	3100
Construction	4100	4250	4600	5300	6350	7350	8150	8950	9300	9200	7900	6750	6900
Manufacturing	1500	1450	1550	1750	2050	2550	3000	2650	2350	2100	1950	1800	2100
Trans. Comm. & Util. ...	7950	8000	8300	8700	8750	9050	9200	9350	9350	9050	8950	8700	8800
Trade	17100	16850	17200	17450	18200	18650	18850	19100	19400	19500	19600	19850	18500
Finance-Insurance & Real Estate..........	5250	5250	5450	5700	5800	6000	6050	6150	6050	6000	6000	5950	5800
Services & Misc........	16350	16750	16750	17250	17600	18100	18550	18600	18600	18550	18250	18050	17800
Government...........	23900	23800	23850	23950	24400	24750	24950	25000	24350	24750	25000	25000	24500

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

Nonagricultural Wage and Salary Employment
By Place of Work
ANCHORAGE
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	75550	76000	77300	79650	82850	86250	88550	89400	89100	88700	87450	85950	83900
Mining	2450	2500	2700	2950	3250	3350	3250	3200	3150	3200	3250	3250	3000
Construction	4000	4150	4500	5100	6100	6950	7750	8600	8950	8850	7600	6550	6600
Manufacturing	1500	1450	1550	1700	1950	2500	2950	2550	2250	2000	1850	1750	2000
Food & Kind. Prod.	250	250	250	300	350	750	1150	800	500	300	300	300	500
All Other Mfg.	1250	1200	1300	1400	1800	1750	1800	1750	1750	1700	1550	1450	1500
Trans. Comm. & Util.	7500	7700	7950	8300	8400	8700	8800	9100	8950	8650	8550	8300	8400
Trucking & Whse.	900	950	1000	1100	1050	1050	1200	1250	1250	1150	1150	1150	1100
Water Trans.	200	200	300	400	450	500	400	500	500	450	450	300	400
Air Transportation	2950	3050	3150	3350	3250	3350	3400	3400	3250	3100	3050	3000	3200
Other Trans. Comm. & Utilities	3450	3500	3500	3450	3650	3800	3800	3950	3950	3950	3900	3850	3700
Trade	16350	16200	16550	16700	17400	17900	18050	18400	18650	18750	18900	19100	17700
Wholesale Trade	4000	3950	4050	4150	4200	4250	4350	4400	4400	4500	4550	4550	4300
Retail Trade	12350	12250	12500	12550	13200	13650	13700	14000	14250	14250	14350	14550	13500
Gen. Merchandise	1750	1700	1750	1750	1750	1800	1850	1900	1950	1950	2050	2100	1900
Food Stores	1900	1950	1950	1900	1950	2050	2050	2050	2100	2100	2150	2200	2000
Eating & Drinking Places	4050	4100	4200	4250	4500	4750	4650	4850	4950	4850	4800	4750	4600
Other Retail Trade ...	4650	4500	4600	4650	5000	5050	5150	5200	5250	5350	5350	5500	5000
Finance-Insurance & Real Estate	5150	5150	5300	5550	5650	5900	6000	6050	6000	5950	5950	5850	5700
Services & Misc.	16000	16450	16400	16800	17250	17750	18150	18250	18100	18050	17850	17650	17400
Government	22600	22400	22350	22550	22850	23200	23600	23250	23050	23250	23500	23500	23000
Federal Government ...	9550	9400	9350	9350	9450	9850	10050	10100	9800	9800	9800	9800	9700
State Government	5300	5400	5500	5500	5450	5400	5550	5350	5450	5800	5900	5900	5500
Local Government	7750	7600	7500	7700	7950	7950	8000	7800	7800	7650	7800	7800	7800

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

Nonagricultural Wage and Salary Employment
By Place of Work
INTERIOR
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	23100	23550	23600	24350	25350	25800	26600	26500	26950	26450	25250	24750	25200
Mining	150	150	150	150	200	250	250	250	250	250	200	200	200
Construction	1200	1250	1150	1150	1550	1900	2350	2450	2550	2450	1950	1700	1800
Manufacturing	750	750	750	800	800	800	750	750	700	700	650	600	700
Trans. Comm. & Util.	3150	3200	3250	3400	3600	3700	3750	3700	3750	3550	3350	3400	3500
Trade	3850	3800	3800	4100	4300	4450	4550	4500	4500	4400	4250	4200	4200
Finance-Insurance & Real Estate.........	750	750	750	800	800	800	800	800	800	800	800	800	800
Services & Misc.........	3850	3950	4050	4150	4400	4500	4650	4850	4750	4450	4250	4150	4300
Government...........	9400	9700	9700	9800	9700	9400	9500	9200	9650	9850	9800	9700	9600

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

Nonagricultural Wage and Salary Employment
By Place of Work
FAIRBANKS
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	19750	20300	20450	21000	21950	22050	23050	22950	23150	22700	21950	21400	21700
Mining	50	0	0	50	50	50	50	50	50	50	50	50	0
Construction	1150	1250	1100	1050	1500	1800	2250	2350	2400	2350	1850	1550	1700
Manufacturing	600	600	650	650	650	600	600	550	550	500	450	450	600
Trans. Comm. & Util. ...	2350	2450	2500	2650	2750	2800	2850	2850	2850	2650	2600	2550	2700
Trucking & Whse.	300	350	350	400	400	450	450	450	450	400	400	400	400
Air Transportation	550	600	600	650	700	700	700	700	700	650	650	650	700
Other Trans. Comm. & Utilities	1500	1500	1550	1600	1650	1650	1700	1700	1700	1600	1550	1500	1600
Trade	3600	3600	3600	3800	4000	4100	4200	4200	4150	4000	4050	4050	3900
Wholesale Trade	700	700	650	650	650	700	700	700	700	650	650	700	700
Retail Trade	2900	2900	2950	3150	3350	3400	3500	3500	3450	3350	3400	3350	3300
Gen. Merchandise & Apparel	400	350	350	350	400	400	450	450	400	400	450	450	400
Food Stores	550	550	550	550	600	600	550	550	550	550	600	600	600
Other Retail Trade ...	1950	2000	2050	2250	2350	2400	2500	2500	2500	2400	2350	2300	2300
Finance-Insurance & Real Estate	700	700	700	750	750	750	750	750	750	750	750	750	700
Services & Misc.	3550	3600	3750	3850	4100	4100	4200	4400	4300	4050	3850	3800	4000
Government	7750	8100	8150	8200	8150	7850	8150	7800	8100	8350	8350	8200	8100
Federal	2200	2300	2300	2250	2300	2550	2650	2550	2400	2400	2400	2350	2400
State Government.....	3400	3600	3600	3700	3550	3300	3550	3250	3400	3600	3600	3550	3500
Local	2150	2200	2250	2250	2300	2000	1950	2000	2300	2350	2350	2300	2200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

Nonagricultural Wage and Salary Employment
By Place of Work
GULF COAST
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	14500	14450	14700	15600	17000	17800	19500	18700	17350	16750	15800	15400	16500
Mining	850	850	850	850	1100	900	900	900	900	850	900	900	900
Construction	500	500	500	650	900	1000	1050	1100	1150	1150	950	850	900
Manufacturing	2750	2350	2600	3000	3500	4650	6400	5500	3850	3550	2700	2450	3600
Food & Kind. Prod.	1800	1400	1700	2100	2600	3700	5400	4500	2900	2700	1900	1700	2700
All Other Mfg.	950	950	900	900	900	950	1000	1000	950	850	800	750	900
Trans. Comm. & Util. ...	1550	1600	1600	1600	1700	1700	1700	1650	1700	1650	1650	1650	1600
Trade	2050	2050	2050	2250	2350	2550	2600	2600	2550	2300	2300	2300	2300
Wholesale Trade......	300	300	300	400	400	450	450	450	400	350	350	350	400
Retail Trade..........	1750	1750	1750	1850	1950	2100	2150	2150	2150	1950	1950	1950	2000
Finance-Insurance & Real Estate.........	450	450	450	400	450	450	450	450	450	450	450	450	400
Services & Misc........	2250	2300	2300	2450	2500	2600	2600	2650	2550	2500	2500	2450	2500
Government...........	4100	4350	4350	4400	4500	3950	3800	3850	4200	4300	4350	4350	4200
Federal..............	550	550	500	500	500	500	500	550	550	500	500	500	500
State................	1200	1250	1300	1350	1400	1400	1400	1350	1400	1350	1350	1350	1300
Local................	2350	2550	2550	2550	2600	2050	1900	1950	2250	2450	2500	2500	2400

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

Nonagricultural Wage and Salary Employment
By Place of Work
SOUTHEAST ALASKA
1981

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Nonag. Wage & Salary ...	23850	24600	25550	26950	27400	28300	28950	29350	28200	26500	25750	25500	26700
Construction	750	750	800	950	1100	1350	1650	1700	1800	1600	1300	1100	1200
Manufacturing	2400	2850	3350	4450	4450	4350	4850	4950	3450	2650	2500	2250	3500
Food & Kind. Prod.	600	850	850	1300	1000	1150	1950	2350	1150	550	500	500	1100
Lum. & Paper Prod. ...	1550	1750	2250	2900	3200	2950	2650	2350	2100	1900	1750	1500	2200
All Other Mfg.	250	250	250	250	250	250	250	250	200	200	250	250	200
Trans. Comm. & Util. ...	2300	2300	2400	2400	2500	2700	2800	2800	2800	2550	2500	2500	2500
Trade	3450	3450	3500	3600	3750	4050	4050	4150	4150	3950	3950	4050	3800
Wholesale Trade.......	300	350	350	350	350	400	450	450	450	400	400	400	400
Retail Trade..........	3150	3100	3150	3250	3400	3650	3600	3700	3700	3550	3550	3650	3500
Finance-Insurance & Real Estate.........	1050	1100	1100	1100	1100	1100	1050	1050	1050	1000	1000	1000	1100
Mining Services & Misc.......	3200	3250	3250	3400	3500	3850	3950	4000	4000	3800	3400	3500	3600
Government...........	10700	10900	11150	11050	11000	10900	10600	10700	10950	11150	11100	11100	10900
Federal Government...	2300	2250	2300	2250	2200	2250	2200	2200	2150	2200	2250	2250	2200
State Government.....	4700	4800	4950	4950	4950	5000	4900	4850	5000	5050	4900	4950	4900
Local Government	3700	3850	3900	3850	3850	3650	3500	3650	3800	3900	3950	3900	3800

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1980.

Sum of industry annual averages does not necessarily equal total annual average nonagricultural wage and salary employment.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	12/81	11/81	10/81	12/81	11/81	10/81	12/81	11/81	10/81
MINING	20.81	20.66	20.27	52.3	52.6	49.5	1088.36	1086.72	1003.37
CONTRACT CONST.	22.24	22.96	22.01	44.4	43.3	44.8	987.46	994.17	986.05
MANUFACTURING	12.57	12.63	12.73	34.1	35.3	38.3	428.64	445.84	487.56
Food & Kindred Prod.	8.60	8.53	8.93	30.0	29.8	33.1	258.00	254.19	295.58
Lumber & Paper Prod.	15.37	15.40	14.81	35.3	40.9	44.3	542.56	629.86	656.08
TRANS., COMM. & UTIL.	14.97	15.28	14.55	36.7	37.8	37.9	549.40	577.58	551.45
TRADE	9.42	9.43	9.40	34.5	34.3	34.4	324.99	323.45	323.36
Wholesale Trade	11.43	11.35	11.71	37.4	37.4	37.2	427.48	424.49	435.61
Retail Trade	8.59	8.62	8.47	33.5	33.2	33.5	287.77	286.18	283.75
FINANCE, INS. & R.E.	--	--	--	--	--	--	334.91	349.43	329.53

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	9/81	8/81	7/81	9/81	8/81	7/81	9/81	8/81	7/81
MINING	20.77	19.06	19.05	52.1	49.9	51.9	1082.12	951.09	988.70
CONTRACT CONST.	23.22	21.54	20.43	43.4	49.5	48.1	1007.75	1066.23	982.68
MANUFACTURING	12.08	10.27	10.42	34.6	47.0	48.0	417.97	482.69	500.16
Food & Kindred Prod.	8.73	8.33	8.85	30.4	50.0	51.3	265.39	416.50	454.01
Lumber & Paper Prod.	14.34	14.57	14.18	38.1	41.5	40.7	546.35	604.66	577.13
TRANS., COMM. & UTIL.	14.03	14.14	14.14	39.3	40.9	40.0	551.38	578.33	565.60
TRADE	9.52	9.50	9.47	33.8	35.9	35.1	321.78	341.05	332.40
Wholesale Trade	12.11	11.55	11.50	36.5	39.2	37.6	442.02	452.76	432.40
Retail Trade	8.50	8.65	8.66	32.9	34.6	34.2	279.65	299.29	296.17
FINANCE, INS. & R.E.	--	--	--	--	--	--	330.38	342.87	312.64

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Weekly Hours			Average Hourly Earnings			Average Weekly Earnings		
	6/81	5/81	4/81	6/81	5/81	4/81	6/81	5/81	4/81
MINING	18.66	20.01	20.74	51.0	51.4	51.3	951.66	1028.51	1063.96
CONTRACT CONST.	19.34	20.10	20.69	47.6	46.4	48.2	920.58	932.64	997.26
MANUFACTURING	11.70	11.49	11.41	37.3	43.8	40.2	436.41	503.26	458.68
Food & Kindred Prod.	8.55	7.79	8.31	33.8	44.3	40.7	288.99	345.10	338.22
Lumber & Paper Prod.	14.17	14.16	14.09	42.8	43.0	39.4	606.48	608.88	555.15
TRANS., COMM. & UTIL.	13.74	14.26	14.08	41.8	39.2	38.6	574.33	558.99	543.49
TRADE	9.56	9.41	9.54	34.1	34.3	34.1	326.00	322.76	325.31
Wholesale Trade	11.89	11.68	11.70	37.0	36.7	37.4	439.93	428.66	437.58
Retail Trade	8.63	8.51	8.67	33.0	33.5	32.9	284.79	285.09	285.24
FINANCE, INS. & R.E.	--	--	--	--	--	--	311.47	295.19	312.86

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Weekly Hours			Average Hourly Earnings			Average Weekly Earnings		
	3/81	2/81	1/81	3/81	2/81	1/81	3/81	r/ 2/81	1/81
MINING	20.53	20.69	20.39	49.5	48.3	51.6	1016.24	999.33	1052.12
CONTRACT CONST.	20.46	20.71	19.93	46.7	48.2	47.3	955.48	998.22	942.69
MANUFACTURING	11.15	11.99	12.13	39.0	33.5	32.5	434.85	401.67	394.23
Food & Kindred Prod.	7.73	8.02	8.01	37.9	25.5	27.8	292.97	204.51	222.68
Lumber & Paper Prod.	14.07	14.15	15.17	40.3	42.1	36.1	567.02	595.71	547.64
TRANS., COMM. & UTIL.	13.45	13.48	13.54	38.1	38.2	37.2	512.45	514.94	503.69
TRADE	9.55	9.58	9.54	34.2	33.2	33.2	326.61	318.06	316.73
Wholesale Trade	11.51	11.43	11.39	37.6	38.4	37.3	432.78	438.91	424.85
Retail Trade	8.78	8.84	8.84	33.0	31.5	31.9	289.74	278.46	282.00
FINANCE, INS. & R.E.	--	--	--	--	--	--	319.18	312.87	300.94

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

MAY 21 1982

ALASKA ECONOMIC TRENDS

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1—A Profile of the Nonresident Job Seeker
9—Oil Price Impact
16—Unemployment Among States
19—Anchorage Construction Boom
24—Fairbanks Tourism

MAY 1982

ALASKA ECONOMIC TRENDS

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A PROFILE OF THE NONRESIDENT JOB SEEKER

By Neal Fried and Greg Huff

INTRODUCTION

Every summer thousands of job seekers migrate north to Alaska looking for work in construction, canneries and in probably every industry in the state. Some come because they believe work is available and pay is good. Others come simply for adventure or out of curiosity. Because of the seasonal nature of Alaska's economy, this influx of workers is a natural phenomenon that will likely continue in the future.

With the exception of oil pipeline construction, when Alaska experienced the largest in-migration of job seekers in its history, not much attention has been paid to this topic. Little has been done to determine where the job seekers come from, how many come, why they come and what type of jobs they look for. During the past 6-9 months there has been an increased interest concerning this topic as Alaska presently experiences more than average growth in the number of nonresident job seekers due to the recession in the rest of the country.

Prior to the oil pipeline experience Alaska was a curiosity to much of the nation's population. During the pipeline and since that time, thousands of people have worked in and visited Alaska. When they leave they take stories of the state back with them. Media and literature have also given the state a great deal of nationwide exposure recently. With the removal of previous misconceptions and fear of the unknown gone, more people in the remainder of the country now consider Alaska a potential labor market. Presently not enough information exists to estimate the actual number of people coming to the state looking for work. This article explores three information sources and addresses some of these questions concerning the job seekers.

Data pertaining to job seekers was collected through surveys of phone calls, letters, and Job Service applications. Thousands of letters and phone calls from persons throughout the country are received by Alaska's Job Service each year. Thousands of newcomers to the state also apply for work through Job Service each year. A sample of 430 of these letters, phone calls and applications were surveyed from October 1981 to April 1982. The six basic questions asked in the survey were: 1) origin of the job seeker, 2) skills, 3) type of job sought, 4) current job status, 5) reason to look for work in Alaska and 6) sex. Additional information such as age and family size was gathered only from the survey of Job Service applications. Not all questions could be answered by the three surveys since information was not always available. For example, job status could not be determined from many letters and other data were not in a form that was always possible to elicit this information. This survey is limited to job seekers who contacted the Anchorage Job Service by letter, phone or in person.

ORIGIN OF JOB SEEKERS

All but five states in the nation were represented in the survey results. The top ranked state was California (See Table I), with Oregon and Washington in second and third place, respectively. All geographic regions in the country were represented (See Table II). The Western region was dominant with 54.7% of all job seekers, followed by the Mid-West. A surprising number of inquiries were received from foreign countries; one from as far away as Zimbabwe.

While results were not surprising for the most part, some results were not anticipated. Though California is the most populated state in the nation (23.6 million), Washington state was expected to rank first in the number of job seekers. This is because Washington state residents, who earned wages in Alaska, received more than double the amount in unemployment compensation dollars than Californians. This unexpected result may be because Washington residents have a longer tradition of coming to Alaska to work, have better contacts in Alaska's labor market, and therefore do not seek as much Job Service placement assistance. The Mid-West region came in second and this may be closely linked to the fact that most of these state economies have been severely affected by the present recession. Michigan, Indiana, Ohio, Wisconsin, and

Table I
Origin of Job Seekers
By Top Ten States

RANK	STATE	PERCENT DISTRIBUTION
1	California	17.7
2	Oregon	11.6
3	Washington	11.4
4	Michigan	4.0
	Pennsylvania	4.0
5	Colorado	3.5
6	Indiana	3.0
	Ohio	2.8
7	Idaho	2.8
	Texas	2.8
	Wisconsin	2.8
8	Montana	2.6
9	Minnesota	2.3
10	New York	2.1
	Foreign Country	2.1

Table II
Origin of Job Seekers
By Region

RANK	REGION	PERCENT DISTRIBUTION
1	West	54.7
2	Mid-West	22.1
3	South	12.3
4	Northeast	8.8
5	Foreign Country	2.1

Minnesota were all ranked among the top 10 states. Somewhat surprising was the lack of representation by the Southern states, with only Texas falling in the top ten. The results of the origin of nonresident job seekers were similiar in the telephone, Job Service application, and letter surveys.

JOB SEEKER SKILLS

The occupational characteristics and skills of job seekers in the survey represent what the job seekers themselves considered to be their primary occupation or job skill. The job seekers surveyed represented a wide spectrum of occupational categories. As shown in Table III, job seekers with construction skills represented the largest proportion of those surveyed, followed by those with professional and technical skills. The next highest concentration of surveyed skills were in the clerical, sales, and services occupations, followed by those job seekers with truck driving and warehouse skills and students (See Table III).

Table III
Job Seeker Skills
By Occupation

OCCUPATION	PERCENT DISTRIBUTION
Construction	37.4
Professional, Technical and Managerial	15.8
Clerical and Sales	8.4
Services	7.2
Trucking and Warehouse	5.8
Student	4.9
Mechanics and Machinery Repair	4.4
Miscellaneous	3.5
Benchwork (Fabrication and Repair)	2.8
Mineral and Oil Extraction	2.6
Agriculture, Fisheries and Forestry	2.6
Manufacturing	0.5
Not Available	4.1

Detailed characteristics of selected occupational categories revealed that the majority of those interviewed with construction skills had general construction and laborer backgrounds. Remaining responses indicated specific construction skills, such as welding, carpentry, and heavy equipment operation (See Table IV). Among those surveyed in professional and technical occupations, engineers and surveyors topped the

Table IV
Detailed Characteristics For Selected Occupations

OCCUPATIONS	PERCENT DISTRIBUTION
Construction	100.0
General Construction and Laborer	45.9
Welders	16.1
Carpenters	13.6
Heavy Equipment Operators	10.5
Electricians	8.2
Plumbers and Pipefitters	3.8
Painters and Plasterers	1.9
Professional and Technical	100.0
Engineers and Surveyors	22.1
Teachers	14.7
Managers	14.7
Health Fields	8.8
Life Sciences	8.8
Social Sciences	7.4
Miscellaneous and Other Professionals	23.5

list, followed by teachers, managers, those with occupations in life and social sciences and health fields (See Table IV). Job seekers with restaurant related skills (waitresses, waiters and cooks) represented 61% of those surveyed with services skills. Loggers and sawmill workers comprised the bulk of those reporting skills in the agriculture, fisheries and forestry category.

Occupational distribution varied depending on the survey source. Telephone survey results were more highly skewed toward construction skills than were other survey sources, while letters reflected more professional job seekers. Job Service applicants had a more normal distribution of occupations, however those job seekers with clerical skills showed up significantly more often than they did in letters or telephone interviews. It should be mentioned that Job Service applications reflect the characteristics of nonresident job seekers that are physically in Alaska while letters and telephone calls represent those who are only inquiring about work.

The results of the overall distribution of job skills did not reveal any unusual results. The high concentration of construction job seekers in the survey is primarily a result of the slump in the construction industry in the lower 48. Across the nation construction is one of the industries hardest hit by high interest rates and recession, while the Anchorage and Alaska construction industry is in good health. Also, construction workers are generally very mobile and will migrate to places in search of work.

OTHER CHARACTERISTICS

Among those job seekers surveyed, 78% inquired about work in the same type of field as their stated skills, while 15% were looking for work in canneries or summer work in general. The remaining 7% indicated they would take any type of work. The students surveyed reported they were mostly interested in summer work with a small number looking for work in their field of major study.

Employment status characteristics contained in the telephone and letter inquiries revealed that of those job seekers searching for work from outside Alaska, 14% were students, while the number of employed and unemployed was almost equal. However, when the Job Service applicants were added to the sample, the number of unemployed outnumbered those with jobs by more than 2 to 1. This was because 98% of new Job Service applicants surveyed reported they were out of work (See Table V). The difference in the percentage of students in Table III and Table V was a result of the order in which questions were asked in the telephone survey. Skills were asked for first and if the student responded with a skill instead of stating they were a student, that skill would be recorded. Then, when asked their current employment status they would respond that they were presently a student.

The sex distribution for the entire sample as shown in Table V shows that men out numbered women 3 to 1. Characteristics of family size and age of the job seeker were available only for Job Service applicants. Family size was small, the single person represented 29% of job seekers while two and three person families represented 41% of job seekers. Job seekers also tended to be young with the ages of 21-25 representing 28% of those surveyed, followed by the age groups of 26-30

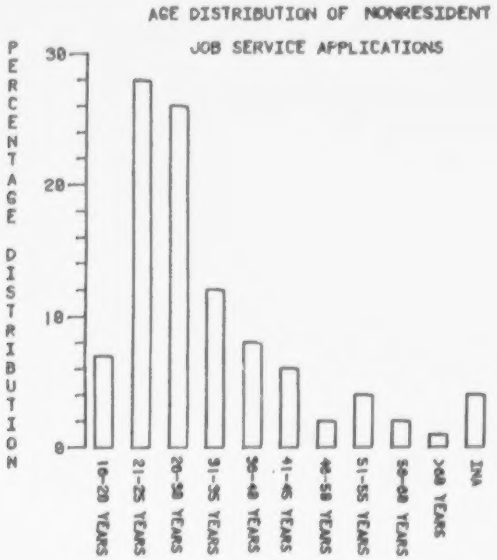
Table V
Other Characteristics of the Job Seeker

SEX

Male	76.7%
Female	23.3%

EMPLOYMENT STATUS

	Total Survey	Letters and Telephone Calls	Job Service Applications
Employed	18.7	27.1	1.0
Unemployed	51.2	28.1	98.0
Student	9.4	13.6	1.0
Not Available	20.7	31.2	0.0



and 31-35, representing 26% and 12%, respectively (See graph for more detail).

When the nonresident job seeker was asked why they were looking for work in Alaska the majority said they heard there were lots of jobs in Alaska while others stated that pipeline work was their primary reason. Other answers included summer work, the allure of high wages or just wanting to come to Alaska. Some people had lived in Alaska before and wanted to return.

CONCLUSION

The typical job seeker surveyed was from California, a construction worker and an unemployed single male between 21 and 25 years old. However, a wide range of characteristics were revealed by the survey. It was found that the job seekers were from almost every state. Job skills spanned the entire spectrum of occupational classes. Students were mainly looking for summer work and more males were seeking work than females. Family status tended to be single and two or three person families. Two-thirds of job seekers were between 21 and 35 years old.

ALASKA EMPLOYMENT IN MARCH

By Brit Harvey

OIL PRICE IMPACT

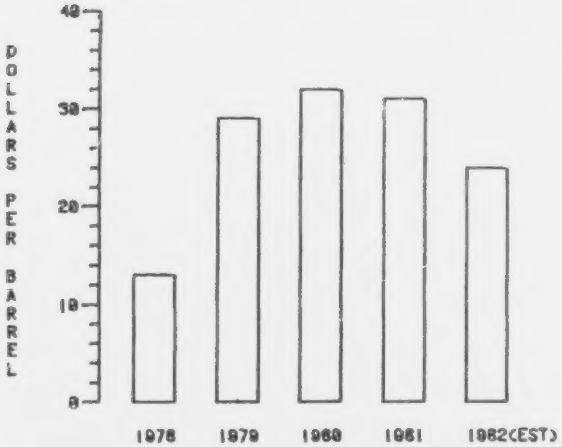
The Alaska economy is dominated by oil-generated wealth. This concentration in a single product renders Alaska's economy highly sensitive to changes in the world oil market. World oil prices have followed a downward trajectory since a summer 1981 peak. Alaska will be deeply affected by deflating oil prices. Slowed employment growth will be felt throughout the state's economy, with some industries more strongly influenced than others.

Oil has a history of cyclical glut and scarcity. From the early 1900's Texas gushers to the 1960's "gas wars," producers have attempted to moderate market swings to eliminate "giuts" and insure profit on their investment. It appeared that this goal was finally achieved in the 1970's when OPEC and multinational oil corporations benefited from scarce oil in history's largest transfer of wealth. From 1973 to 1981 oil prices increased twelve-fold, transforming Alaska's economy and triggering economic growth.

Although OPEC is generally credited (or blamed) for the upward spiral of oil prices, the benefits have accrued to non-OPEC producer regions such as Britain and Alaska as well. In the case of Alaska, the discovery and development of the Prudhoe Bay field coincided with OPEC's price escalations, enriching everyone with a stake in North Slope production. The State of Alaska's oil revenues increased from $336 million in 1976 to $3.3 billion in 1981. SOHIO, the largest North Slope producer, became the most profitable major U.S.-based corporation.1/

In the last nine months the price of oil has declined. Barring a major disruption of Saudi Arabian production, spot oil prices are expected to continue falling, at least to $25/barrel, and perhaps lower. The current phase of excess production is likely to continue through mid-decade.

ANNUAL AVERAGE SPOT PRICE OF SAUDI ARABIAN LIGHT CRUDE



SOURCE:BUSINESSWEEK 3/22/82 P.66

This reversal of a decade-long trend is the single most important influence on Alaska's economic and employment outlook. As a producer region with an economy dominated by oil, Alaska might be expected to suffer economically. Although the new oil price environment will impact Alaska's economy, the results in various industries are likely to be uneven.

1/ Among U.S.-based corporations with sales over $10 billion in 1981, SOHIO ranked number one in profits as measured by return on common equity (34.6%), according to Standard and Poor's Compustat Service.

STATE OIL REVENUE

State oil revenues are highly sensitive to variation in oil price. The rapidly diminishing estimates of funds available for legislative appropriation have resulted in a "budget squeeze," albeit a relative one. It is clear the State of Alaska will not receive all revenues predicted as recently as one year ago.

The impact of reduced state appropriations will, of course, be felt most immediately in state government employment. Local government employment is also affected by state appropriations through transfers of state revenue to local governments and schools.

The indirect employment effects of state spending and lending are at least as great as direct state government employment. Construction and construction-related services such as engineering, architecture and surveying receive large stimulus from state spending and subsidized loans. The phenomenal growth of these sectors will be slowed by reduced state appropriations. Secondary industries such as transportation and trade will be affected to a lesser degree.

OIL CORPORATION SPENDING

Diminished state revenues are highly visible and receive extensive news coverage in the state. Less obvious but also important is the impact of declining oil prices on oil corporations. The 1970's run-up in oil prices helped oil corporations to increase their share of all U.S. corporate profits to about one third. Oil stocks advanced strongly, and crude oil reserves and promising oil acreage became the apple of many a corporate eye. The downside of the oil price roller coaster is now in full swing. Institutional investors in an "organized panic"2/ are rushing to dump oil stocks. SOHIO stock dropped 59% from its 1981 peak; ARCO 50%.2/ Corporate exploration budgets are being slashed. Declining oil prices in combination with long lead times have resulted in massive investment by oil corporations in the development of fields which will produce at a lower than expected profit. The harsher current oil price environment is resulting in major upward revisions in the minimum size of a commercial field, leaving what were once marginally profitable fields clear money losers. Whether or not the Kuparuk field on the North Slope would have been brought into production under current conditions is unclear.

While it might seem that curtailed corporate exploration budgets and more stringent production decision criteria indicate trouble for Alaska's economic growth, the situation is more complex. The U.S. is generally considered the world's safest bastion of private capital ownership. This makes U.S. oil reserves a highly desirable asset. Largely unexplored, Alaska holds more promise of giant fields than heavily drilled lower-48 regions such as Texas. The combination of potential "elephant" size fields and U.S. political stability make Alaska an extremely attractive region for exploration.

Examples of major oil corporations planning to invest in Alaska exploration abound. Gulf, having experienced nationalization of its reserves in Kuwait, Venezuela and Iran, is short on crude. The focus of Gulf's $12 billion in planned exploration through 1986 will be off-shore Alaska and California.3/ Elf Aquitaine, the French national oil corporation, sees the U.S. as its "main course" of new exploration.4/ Again, Alaska is a priority in strategic planning.

As corporate exploration budgets, contract and production decisions are analyzed in the light of declining prices, it is likely that Alaska will attract enough capital to maintain employment growth in the oil and gas sector. Oil-related construction employment will also be positively affected.

Energy projects are also influenced by oil prices. Declining oil prices have a uniformly negative impact on the outlook for employment expansion in such projects as the gasline, synthetic fuels, and coal development. All these projects produce fuels which substitute for oil. Their economic viability is undermined by falling oil prices. In the 1979 environment of rapidly rising oil prices, huge oil corporation profits, and lower interest rates, the gasline's future seemed assured. Marginal energy projects face a harsher 1982 environment.

North Slope producers, facing probable profit declines, and the State of Alaska with its "budget crunch," are less likely to take an equity position in the gasline than a year ago when oil prices peaked.

In the next year OPEC will encounter the first serious test of its unity. Should OPEC agree on production cutbacks and succeed in stabilizing declining prices, Alaska will benefit. Indeed, the single event which would do the most to boost Alaska's economic growth would be further warfare and disruption of oil production capacity in the Mid-East, particularly in Saudi Arabia.

Despite the current glut and possible demise of OPEC, the long-run outlook to 2000 for oil prices remains strong. Many observers, such as the influential trade journal "Petroleum Economist," foresee the possibility of new found oil shortages and price escalations, probably in the later part of the decade. Oil is likely to continue its central role in Alaska's economy.

2/ BusinessWeek, 3/22/82, page 84.

3/ Forbes, 3/29/82, page 44.

4/ BusinessWeek, 3/8/82, page 108.

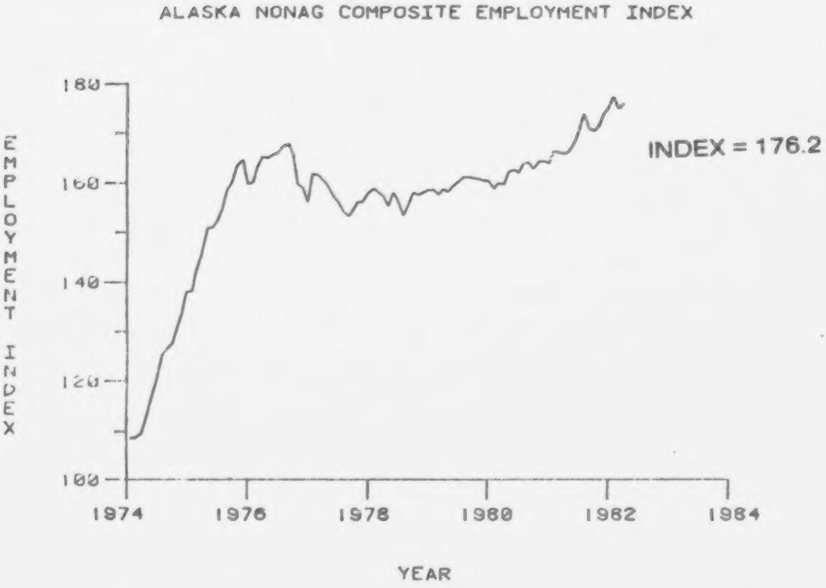
NONAGRICULTURAL EMPLOYMENT

March Alaska nonagricultural wage and salary employment was 175,587, 6% above February. The seasonally adjusted employment level rose by 0.6%, indicating that the normal spring seasonal upturn was augmented by additional employment expansion. 1982 will almost certainly see Alaska's highest employment ever.

Mining increased by 300 jobs. The winter drilling season on the North Slope was drawing to a close, prompting efforts to complete wells in off-shore and Delta areas.

Construction, fueled by an Anchorage office and condominium boom remained 30% above last year.

Lumber and pulp continued its recession, with a meager 100 job increase leaving employment 500 jobs below last year. The news from Japan, the only significant market for Alaska logs and cants, was bad. Housing starts remained depressed, the overall Japanese economy was sluggish, and the yen failed to strengthen against the dollar. All these factors inhibit Japanese import of Alaskan logs and cants.


ALASKA NONAG COMPOSITE EMPLOYMENT INDEX

Yen exchange rates will also have an impact on Alaska's salmon marketing this summer. With canned sales hurt by botulism publicity, the Japanese market dominated by fresh and frozen salmon will be especially important. Seafood processing employment ran substantially below last year's level this March.

Government employment continued to display divergent trends. Federal government employment was down for the month and year, while state and local government added employees in March, pushing total government employment more than 6% above 1981.

The secondary industries all showed modest increases in March. With the exception of transportation, communication and utilities, the secondary industries show robust gains of around 8% in employment over last year. The strong employment growth in these industries is indicative of general maturation in Alaska's secondary industries. Increased economic development and population will likely contribute further to this trend.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

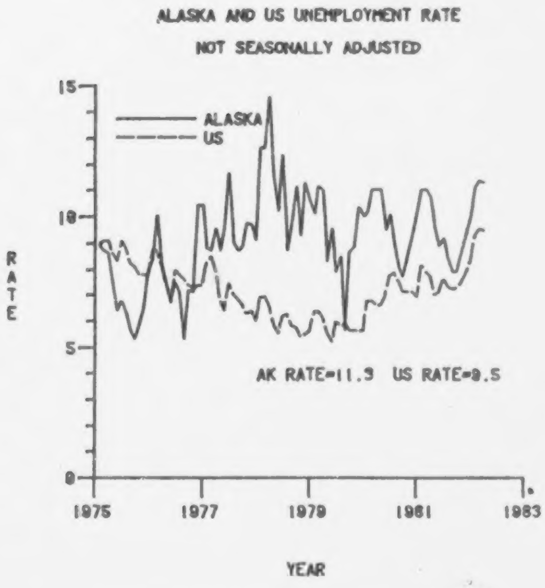
	P/ 3/82	R/ 2/82	3/81	CHANGES FROM: 2/82	 3/81
Nonag. Wage & Salary	175700	171600	165500	4100	10200
Mining	8100	7800	7500	300	600
Construction	10900	10300	8400	600	2500
Manufacturing	8600	7400	9900	1200	-1300
Food & Kindred Prod.	3600	2600	4500	1000	-900
Lumber & Paper Prod.	2300	2200	2800	100	-500
All Other Mfg.	2700	2600	2600	100	100
Trans. Comm. & Util.	17100	16900	16800	200	300
Trucking & Whseing.	2200	2100	1800	100	400
Water Transportation	900	1000	1200	-100	-300
Air Transportation	5100	5100	5300	0	-200
Other Transportation Comm. & Utilities	8900	8700	8500	200	400
Trade	31300	30800	28400	500	2900
Wholesale Trade	6400	6300	5500	100	900
Retail Trade	24900	24500	22900	400	2000
Gen. Merchandise & Apparel	3800	3900	3900	-100	-100
Food Stores	4500	4400	4000	100	500
Eating & Drinking Places	8900	8500	7700	400	1200
Other Retail Trade	7700	7700	7300	0	400
Finance-Ins. & R. Estate	8700	8700	8100	0	600
Services & Misc.	31800	31200	29400	600	2400
Government	59200	58500	57000	700	2200
Federal Government	17100	17500	17400	-400	-300
State Government	17500	17200	16500	300	1000
Local Government	24600	23800	23100	800	1500

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.



UNEMPLOYMENT AMONG STATES

During the late 1970's inflation was broadly perceived to be the primary economic problem. In the first two years of the 1980's unemployment replaced inflation, as severe economic recession held down price increases and diminished work opportunities.

Unemployment is a perennial Alaska problem. While Alaska rates have remained relatively high and fairly stable for two years, many other states have experienced rapidly rising rates. As a result, Alaska is no longer one of the two or three worst states for unemployment, although it still ranks in the ten highest.

Many observers note the extreme regional variation in unemployment rates, a result of increasing fragmentation in the U.S. economy. Alaska does not fit easily into any regional pattern. The Pacific Northwest, including most of northern California, is experiencing high unemployment. While Alaska shares some

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	3/82	2/82	3/81	3/82	2/82	3/81	3/82	2/82	3/81	3/82	2/82	3/81
Alaska Statewide	197327	194031	182110	22241	22179	19568	11.3	11.4	10.7	175086	171852	162542
Anch.-MatSu Region.....	99616	98215	88832	8746	8692	7397	8.8	8.8	8.3	90870	89523	81435
Anchorage.............	89805	88483	80005	7356	7256	6117	8.2	8.2	7.6	82449	81227	73888
Matanuska-Susitna	9811	9732	8827	1390	1436	1280	14.2	14.8	14.5	8421	8296	7547
Gulf Coast Region	21817	21386	20690	3513	3665	3099	16.1	17.1	15.0	18304	17721	17591
Cordova	1148	1107	1085	168	158	143	14.6	14.3	13.2	980	949	942
Kenai	11406	11066	10771	2080	2037	1808	18.2	18.4	16.8	9326	9029	8963
Kodiak	4665	4762	4481	485	716	464	10.4	15.0	10.4	4180	4046	4017
Seward	1572	1554	1498	267	290	244	17.0	18.7	16.3	1305	1264	1254
Valdez	3026	2897	2855	513	464	440	17.0	16.0	15.4	2513	2433	2415
Interior Region	26167	26297	24378	3715	4032	3205	14.2	15.3	13.1	22452	22265	21173
Fairbanks	21289	21416	19787	2989	3268	2529	14.0	15.3	12.8	18300	18148	17258
Southeast Fairbanks...	2138	2138	1989	302	318	258	14.1	14.9	13.0	1836	1820	1731
Upper Yukon	639	648	625	92	105	109	14.4	16.2	17.4	547	543	516
Yukon-Koyukuk........	2101	2095	1977	332	341	309	15.8	16.3	15.6	1769	1754	1668
Northern Region	9174	8956	8539	819	721	848	8.9	8.1	9.9	8355	8235	7691
Barrow-North Slope ...	2436	2395	2241	182	174	166	7.5	7.3	7.4	2254	2221	2075
Kobuk..................	2881	2824	2673	288	268	286	10.0	9.5	10.7	2593	2556	2387
Nome	3857	3737	3625	349	279	396	9.0	7.5	10.9	3508	3458	3229

Southeast Region	30111	29346	29103	4220	4003	3684	14.0	13.6	12.7	25891	25343	25419
Angoon	418	407	457	75	72	121	17.9	17.7	26.5	343	335	336
Haines	1046	993	1042	172	138	184	16.4	13.9	17.7	874	855	858
Juneau	10409	10148	10030	1011	948	802	9.7	9.3	8.0	9398	9200	9228
Ketchikan	6464	6314	6168	1018	983	821	15.7	15.6	13.3	5446	5331	5347
Outer Ketchikan	895	910	804	253	282	174	28.3	31.0	21.6	642	628	630
Prince of Wales	1451	1371	1435	253	198	259	17.4	14.4	18.0	1198	1173	1176
Sitka	4344	4242	4140	547	525	412	12.6	12.4	10.0	3797	3717	3728
Skagway	1495	1483	1466	229	244	223	15.3	16.5	15.2	1266	1239	1243
Wrangell-Petersburg	3589	3478	3561	662	613	688	18.4	17.6	19.3	2927	2865	2873
Southwest Region	10442	9831	10568	1228	1066	1335	11.8	10.8	12.6	9214	8765	9233
Aleutian Islands	2720	2561	2715	214	177	204	7.9	6.9	7.5	2506	2384	2511
Bethel	3344	3171	3438	413	383	501	12.4	12.1	14.6	2931	2788	2937
Bristol Bay Borough	395	370	396	64	55	65	16.2	14.9	16.4	331	315	331
Bristol Bay	1360	1289	1394	123	112	154	9.0	8.7	11.0	1237	1177	1240
Kuskokwim	971	896	960	172	136	159	17.7	15.2	16.6	799	760	801
Wade Hampton	1652	1544	1665	242	203	252	14.6	13.1	15.1	1410	1341	1413

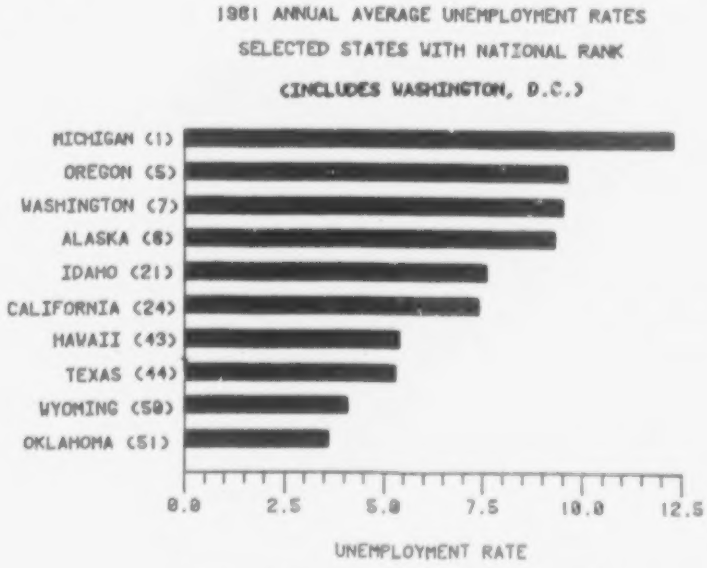
P/=Preliminary *R/*=Revised 1981 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

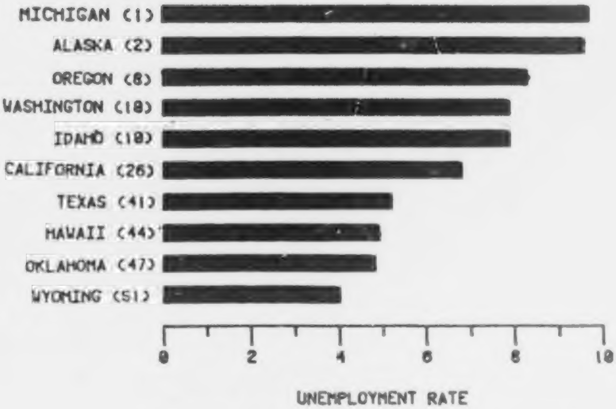
Due to a technical revision, these rates supersede those contained in the March 22, 1982 News Release.

characteristics with these geographically related states, it also is influenced by energy. Energy-dominated states have been among those least afflicted by unemployment.

The accompanying graphs display the 1980 and 1981 annual average unemployment rates for ten selected states. Average annual unemployment rates are statistically more reliable than the rates for any given month. It should also be noted that these rates include only persons who actively look for work and do not find any. Even a few hours of work during a month can qualify as "employment" for that month under federal definitions.



1980 AVERAGE ANNUAL UNEMPLOYMENT RATES
SELECTED STATES WITH NATIONAL RANK
(INCLUDES WASHINGTON, D.C.)



ANCHORAGE/MATSU EMPLOYMENT IN MARCH

By Greg Huff

LABOR FORCE

Anchorage's unemployment rate for March remained unchanged from last month's rate of 8.2%, and also recorded marks above the year ago rate of 7.6%. The MatSu unemployment rate of 14.2% fell from the February rate of 14.8% and fell below last year's rate of 14.5%. The influencing factor for the unchanged Anchorage unemployment rate was the increase in the number of unemployed offsetting the increase in employment. An increasing number of both intrastate and interstate unemployment insurance claims could indicate sustained unemployment at year ago levels despite a 4-6% expected increase in employment this year.

NONAGRICULTURAL EMPLOYMENT

On the brighter side, nonagricultural wage and salary employment will have an exceptional year, duplicating or surpassing last year's growth. March wage and salary employment for Anchorage rose 1.3% above the February level with all major industries experiencing increases.

Construction employment increased for the second time since the beginning of the seasonal decline in October of last year. Winter construction employment bottomed out in January at 5,550 jobs which was 38% above January 1981. Construction activity remained strong during the winter due to the construction of numerous commercial buildings including Frontier, Arco and Hunt. Commericial building had a head start over last year due to the carry over of several projects begun last year.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/	*R/*			
	3/82	**2/82**	**3/81**	**2/82**	**3/81**
Nonag. Wage & Salary	84800	83750	77300	1050	7500
Mining	3450	3400	2700	50	750
Construction	6050	5750	4500	300	1550
Manufacturing	1700	1650	1550	50	150
Food & Kindred Prod.	300	250	250	50	50
Other Mfg.	1400	1400	1300	0	100
Trans. Comm. & Util.	8350	8200	7950	150	400
Trucking & Whseing.	1050	1000	1000	50	50
Water Transportation	300	250	300	50	0
Air Transportation	3150	3100	3150	50	0
Other Transportation Comm. & Utilities	3850	3850	3500	0	350
Trade	18050	17950	16550	100	1500
Wholesale Trade	4450	4400	4050	50	400
Retail Trade	13600	13550	12500	50	1100
Gen. Merchandise	1750	1800	1750	-50	0
Food Stores	2100	2100	1950	0	150
Eating & Drinking Places	4800	4650	4200	150	600
Other Retail Trade	4950	5000	4600	-50	350
Finance-Ins. & R. Estate	5800	5750	5300	50	500
Services & Misc.	17700	17450	16400	250	1300
Government	23700	23600	22350	100	1350
Federal	9550	9650	9350	-100	200
State	6200	6100	5500	100	700
Local	7950	7850	7500	100	450

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

				CHANGES FROM:	
	P/	*R/*			
	3/82	**2/82**	**3/81**	**2/82**	**3/81**
Nonag. Wage & Salary	88050	87050	80500	1000	7550
Mining	3550	3450	2800	100	750
Construction	6250	5950	4600	300	1650
Manufacturing	1750	1700	1550	50	200
Trans. Comm. & Util.	8600	8450	8300	150	300
Trade	18750	18650	17200	100	1550
Finance-Ins. & R. Estate	5850	5850	5450	0	400
Services & Misc.	18100	17850	16750	250	1350
Government	25200	25150	23850	50	1350

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

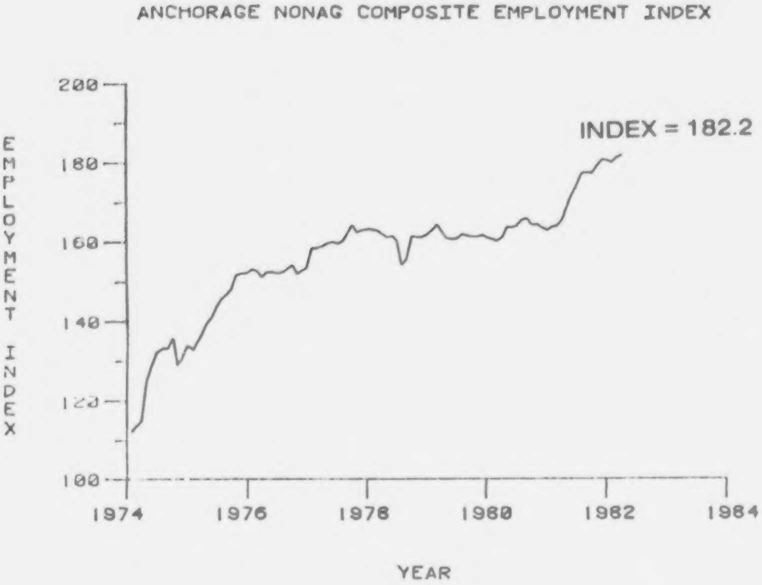
Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Residential construction will experience one of the most active seasons in history, as indicated by the number of building permits issued. Activity is expected to outpace last year's extraordinary showing. Employment, likewise, will be greater than last year. Unlike last year, residential construction will get an earlier start. In fact, start-up dates on many units whose foundations were laid last fall were as early as late March. Contractors will be competing for early completion times for fear that overbuilding could be expensive for those contractors with unsold units.

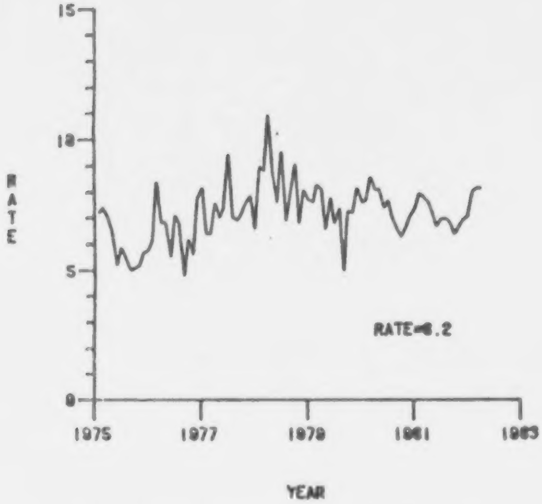
This construction "boom" atmosphere will continue through next year with the completion of the Frontier, Arco and Hunt Buildings, and Sohio's proposed building. State and Anchorage Municipality sponsored capital projects have also been contributing considerable stimulus to the economy. The future of the Convention Center, Arts Center, Library and other Project



80's proposals are in the air, but their construction would add to construction employment levels and enhance the already healthy construction environment. The future of capital projects will be directly tied to the price of oil. Unless the price rises, state revenues will remain below a level adequate to add the stimulus the revenues have produced in 1981 and 1982.

Manufacturing employment in Anchorage rose slightly over the month, as it did statewide. Unlike manufacturing employment statewide, Anchorage's level was above last year. This was because the Anchorage manufacturing industry is not as heavily based on fish processing and timber industries, both of which are currently experiencing depressed conditions. Transportation, communication and utilities employment registered gains over the month as employment increased in the trucking, air and water transportation sectors. Trade employment rose as the combination of seasonal gains and new restaurant openings resulted in a monthly increase of 150 jobs in eating and drinking places. A quick look at year ago trade employment statistics reveals that eating and drinking places have provided the bulk of the expansion in trade employment with an increase of 600 jobs. Employment in the finance industry and government also increased over the month.

ANCHORAGE UNEMPLOYMENT RATE



FAIRBANKS/INTERIOR EMPLOYMENT IN MARCH

By Neal Fried

LABOR FORCE

Fairbanks labor force statistics for March remained dynamic with employment growing faster than unemployment. This resulted in a lower unemployment rate. However, the unemployment rate was still high and at 14%, remained above the year-ago level. Employment will have to grow a good deal more rapidly than it has been to bring the rate down below last year.

NONAGRICULTURAL EMPLOYMENT

Wage and salary employment figures in almost all of the industries indicated continued strong growth over 1981 levels. Over-the-year growth was as high as 18% for construction, to 4% for transportation, communications and utilities. The new seasonally adjusted wage and salary index, one of the better economic indicators in measuring real growth or the lack of it, registered at 149.3 or 7.5 points above last March's index. This indicated a continuation of the upward trend which began in 1981. Most of the Fairbanks industries are expected to continue to do well during the remainder of 1982.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/ 3/82	R/ 2/82	3/81	CHANGES FROM: 2/82	3/81
Nonag. Wage & Salary......	21450	21250	20450	200	1000
Mining	50	50	0	0	50
Construction	1300	1300	1100	0	200
Manufacturing	450	450	650	0	-200
Trans. Comm. & Util.	2600	2550	2500	50	100
Trucking & Whseing.	400	400	350	0	50
Air Transportation	650	650	600	0	50
Other Trans. Comm. & Utilities................	1550	1500	1550	50	0
Trade	3800	3800	3600	0	200
Wholesale Trade	700	700	650	0	50
Retail Trade..............	3100	3100	2950	0	150
Gen. Merchandise & Apparel	350	350	350	0	0
Food Stores.............	600	600	550	0	50
Other Retail Trade	2150	2150	2050	0	100
Finance-Ins. & R. Estate ..	750	750	700	0	50
Services & Misc...........	3950	3850	3750	100	200
Government	8550	8500	8150	50	400
Federal	2250	2250	2300	0	-50
State	3700	3650	3600	50	100
Local.....................	2600	2600	2250	0	350

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK INTERIOR

	P/	*R/*		CHANGES FROM:	
	3/82	**2/82**	**3/81**	**2/82**	**3/81**
Nonag. Wage & Salary......	24600	24500	23600	100	1000
Mining	200	200	150	0	50
Construction	1400	1450	1150	-50	250
Manufacturing	550	550	750	0	-200
Trans. Comm. & Util.	3400	3350	3250	50	150
Trade	4000	4000	3800	0	200
Finance-Ins. & R. Estate ..	750	750	750	0	0
Services & Misc.	4300	4200	4050	100	250
Government	10000	10000	9700	0	300

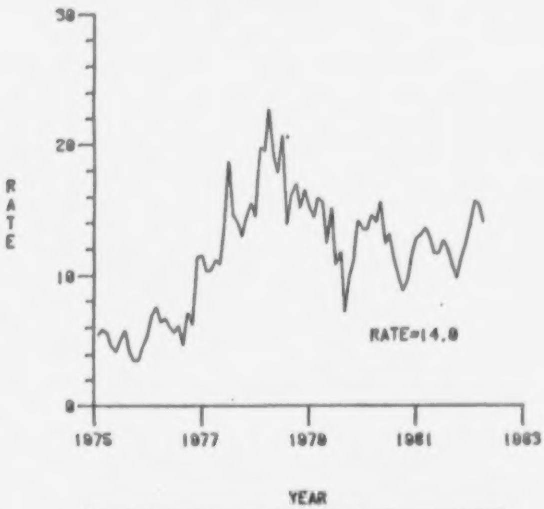
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

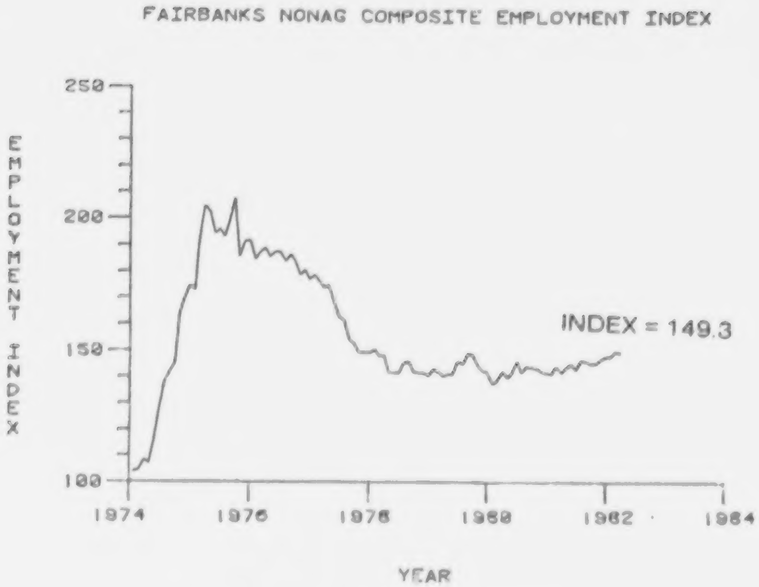
Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

FAIRBANKS UNEMPLOYMENT RATE





TOURISM

Tourism affects a number of industries. The strength of this year's season is not yet certain because of the recession presently being experienced in the rest of the country, where most of Alaska's tourists originate. Tourism is one of the first industries hit in a recessionary time because most consumers consider travel a discretionary expenditure. During uncertain times people tend to cut back on these expenditures. It is still early to predict what will happen in this year's tourist season, but most tour operators expect this year to be as good as last year given the current level of bookings. This may be largely due to the fact that many tourists headed to Fairbanks are affluent and/or older retired people on packaged tours whose economic status is little affected by the present recession.

Hotel, motel and restaurant people, the biggest beneficiaries of the tourist trade, also expect a good season. They have already experienced a better year as a result of an overall increase in economic activity in Fairbanks. In-migration has been another boost to hotel trade. A tight Fairbanks housing market has been caused by the continued influx of people. Some people have had to turn to hotels for a place to live while looking for work and a more permanent place of residence. This boost, along with increased commercial business, could mean that even if the tourist season does not reach year-ago levels, hotel and restaurant employment would not suffer. At this time, however, the Fairbanks tour industry is expecting another good season.

GULF COAST LABOR FORCE IN MARCH

By Neal Fried

Gulf Coast labor force statistics remained the worst in the state with an overall unemployment rate of 16.1%. The unemployment rate began to fall for the first time this year and may continue to fall during the next 5-6 months. Rates within the region were as high as 18.2% for Kenai and as low as 10.4% for Kodiak. Though Gulf Coast's unemployment rate was the highest in the state, it does not necessarily indicate that the region has fewer employment opportunities and an economy in worse shape than the other regions.

Several factors contribute to the high regional rate. One factor is the seasonal nature of the economy which is particularly influenced by the fishing industry (See April Trends).

Another factor to consider is the structural nature of regional unemployment and the definition of unemployed. Only those people who actively seek work are considered unemployed. In certain areas of the state, particularly in the rural areas of the Southwest, Interior (excluding Fairbanks) and Northern regions there is very little economic activity. This often means few employment opportunities exist. Because people are aware no work is available, they do not actively seek work during most of the year. Subsequently, they are not counted among the unemployed. These people might work if employment were available. Rural regional rates, though high, are often below the Gulf Coast rate. However, opportunities for finding work in these areas are fewer than they are in the Gulf Coast region. This should put use of the unemployment rate into perspective. Structural variation in regional economies diminishes the comparative value of regional unemployment rates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P/	R/		CHANGES FROM:	
	3/82	2/82	3/81	2/82	3/81
Nonag. Wage & Salary......	15050	14650	14700	400	350
Mining	900	850	850	50	50
Construction	600	600	500	0	100
Manufacturing	2550	2250	2600	300	-50
Food & Kindred Prod......	1800	1500	1700	300	100
All Other Mfg.	750	750	900	0	-150
Trans. Comm. & Util.	1600	1650	1600	-50	0
Trade	2150	2150	2050	0	100
Wholesale Trade	300	300	300	0	0
Retail Trade..............	1850	1850	1750	0	100
Finance-Ins. & R. Estate ..	450	450	450	0	0
Services & Misc............	2400	2350	2300	50	100
Government	4400	4350	4350	50	50
Federal	500	500	500	0	0
State	1250	1250	1300	0	-50
Local.....................	2650	2600	2550	50	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

SOUTHEAST EMPLOYMENT IN MARCH

By Debbie Berggren

Nonagricultural wage and salary employment increased 2.2% to 25,500 in March. This was less than 1% below the year-ago level.

Employment in the manufacturing industry increased by 50 jobs. The number of jobs was approximately 1,050 below year-ago levels. Nearly two-thirds of the decrease was in the lumber and paper products sector, which was approximately 650 jobs below last year. Logging employment which normally experiences a strong seasonal increase during March remained unchanged from February. Logging employment was approximately 500 jobs below the year-ago level. Logging and sawmill employment should begin to increase in April, but will continue to be below year-ago levels. Pulp mill employment dropped slightly during the month to approximately 120 jobs below the year-ago level.

Construction employment, which was 3.5% of total March employment, increased by 50 jobs and was 100 jobs above last year. When compared to prior years, construction employment was strong. Between private construction, state spending and strong residential building, Alaska is expected to have the strongest construction season since the post-pipeline slowdown. Southeast construction should also have a good year.

Government employment increased by 200 jobs. Most of the increase was in state government. Federal government, unchanged over the month, was 200 jobs below last year.

Retail trade experienced an increase of 100 jobs. While all sectors of retail trade experienced growth, eating and drinking establishments had the largest increase.

Transportation, finance, mining, services and miscellaneous all experienced employment increases of approximately 500 over February.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P/	R/		CHANGES FROM:	
	3/82	**2/82**	**3/81**	**2/82**	**3/81**
Nonag. Wage & Salary	25500	24950	25550	550	-50
Construction	900	850	800	50	100
Manufacturing	2300	2250	3350	50	-1050
Food & Kindred Prod.	450	450	850	0	-400
Lumber & Paper Prod.	1600	1600	2250	0	-650
All Other Mfg.	250	200	250	50	0
Trans. Comm. & Util.	2400	2350	2400	50	0
Trade	3800	3700	3500	100	300
Wholesale Trade	350	350	350	0	0
Retail Trade	3450	3350	3150	100	300
Finance-Ins. & R. Estate	1050	1000	1100	50	-50
Mining, Services & Misc.	3500	3450	3250	50	250
Government	11550	11350	11150	200	400
Federal	2100	2100	2300	0	-200
State	5350	5200	4950	150	400
Local	4100	4050	3900	50	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

HOURS AND EARNINGS IN FEBRUARY

By Su Hendrix

Lumber and paper products exhibited another increase in average weekly hours. Last month, most firms in this industry picked up their employee hours and started a more normal work schedule. This month's additional 6% increase was a result of a few sawmills delaying their seasonal upswing until February. One such firm was Alaska Lumber and Pulp Co., who started double-shifting sometime in January outside of the key estimating week (week including the twelfth). According to Alaska Lumber and Pulp, this double-shifting was not due to better markets, but due to a large inventory of unprocessed logs.

Average weekly earnings in the manufacturing industry rose 8% in February as a result of 4% increases in both average hourly earnings and average weekly hours. The primary cause of these increases was a 14% drop in the employment of food processing workers who are lower-paid, and worked less hours than workers in lumber and wood processing.

Average weekly hours and average hourly earnings in other industries changed less than 3% in February. Due to sample fluctuation monthly changes of 3% or less should not be interpreted as significant trends.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/	r/		p/	r/		p/	r/	
	2/82	1/82	2/81	2/82	1/82	2/81	2/82	1/82	2/81
MINING	20.79	21.34	20.69	51.1	52.2	48.3	1062.37	1113.95	999.33
CONTRACT CONST.3/	22.79	22.09	20.71	42.5	42.8	48.2	968.58	945.45	998.22
MANUFACTURING	13.25	12.80	11.99	39.8	38.2	33.5	527.35	488.96	401.67
Food & Kindred Prod.	8.43	8.53	8.02	32.1	31.9	25.5	270.60	272.11	204.51
Lumber & Paper Prod.	15.27	15.44	14.15	47.3	44.6	42.1	722.27	688.62	595.71
TRANS., COMM. & UTIL.	14.97	14.83	13.48	37.6	37.1	38.2	562.87	550.19	514.94
TRADE	9.54	9.63	9.58	33.6	33.7	33.2	320.54	324.53	318.06
Wholesale Trade	11.07	11.43	11.43	37.3	36.2	38.4	412.91	413.77	438.91
Retail Trade	8.84	8.86	8.84	32.1	32.7	31.5	283.76	289.72	278.46
FINANCE, INS. & R.E.	--	--	--	--	--	--	347.69	348.60	312.87

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years' data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

JUN 22 1982

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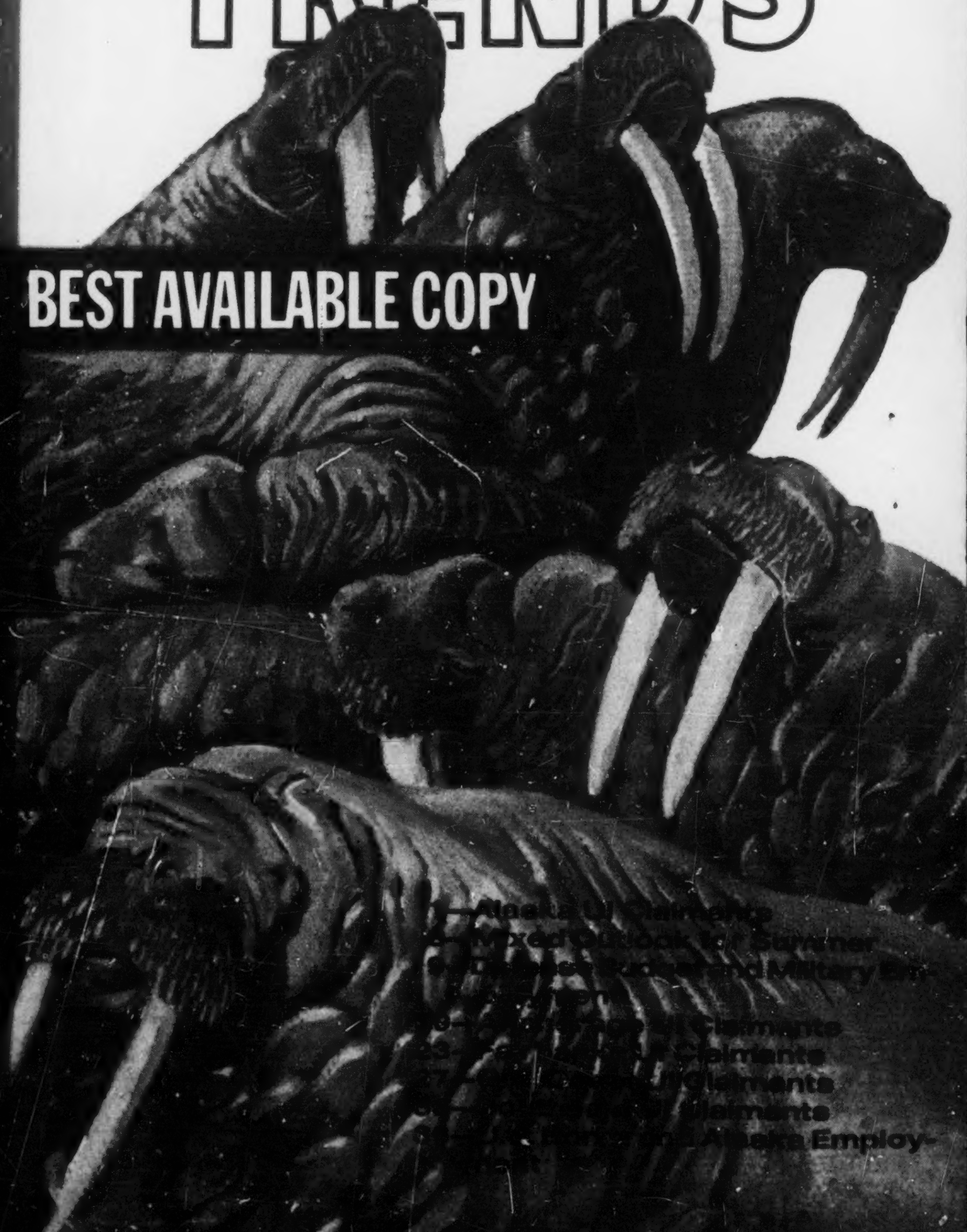
ALASKA ECONOMIC TRENDS



BEST AVAILABLE COPY

1—Alaska UI Claimants
2—Mixed Outlook for Summer
6—[illegible] and Military Employment
16—[illegible] UI Claimants
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27—[illegible] Claimants
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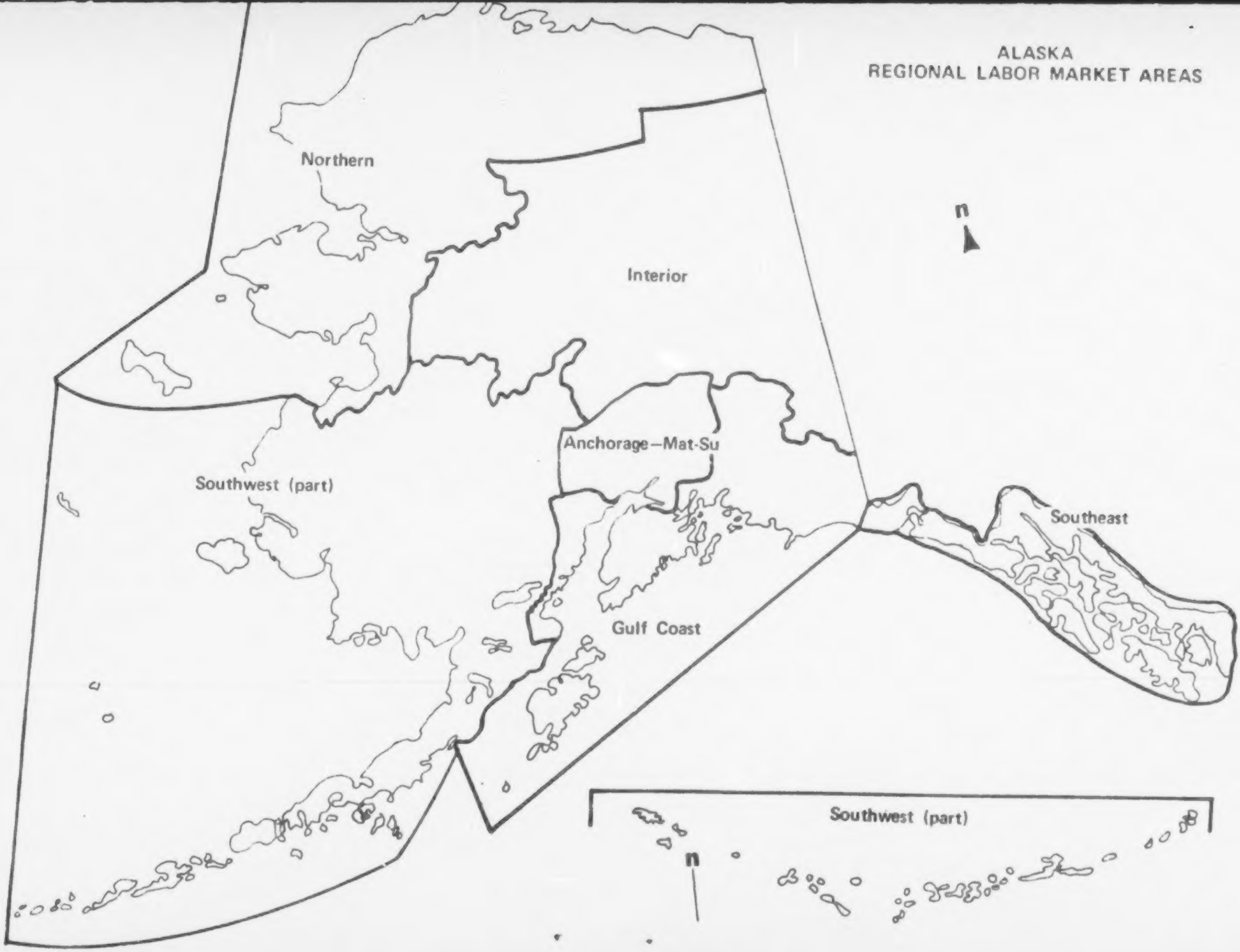
ALASKA
REGIONAL LABOR MARKET AREAS


Northern
Interior
Anchorage–Mat-Su
Southwest (part)
Gulf Coast
Southeast
n
Southwest (part)
n

ALASKA ECONOMIC TRENDS

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UNEMPLOYMENT INSURANCE CLAIMANT CHARACTERISTICS

By Su Hendrix

INTRODUCTION

In February, 68% of estimated unemployment in Alaska was covered by state unemployment insurance (UI). Those unemployed persons excluded from coverage were new entrants and reentrants to the labor force who tend to be students and homemakers, respectively. Also excluded were people who have exhausted benefits without having returned to work and people who never filed for benefits. Unemployed persons covered by UI are considered experienced workers. During February 58,209 payments, totalling $8,129,995, were made to Alaska's in-state UI claimants.

UI claimant data is a potential source of labor supply information. While it does not provide a comprehensive view of all unemployed people, characteristics do indicate a pool of available and experienced workers not currently employed.

ABOUT THE DATA

Once every month, a survey of UI claimants is conducted to obtain certain characteristics data. A 100% sample of UI claimants filing for benefits during a key week is drawn from the Automated Benefits System. In the mid-month of each quarter, cross-tabulated tables of select UI claimant characteristics are run.

EDITOR'S NOTE: UI claimant characteristics that appear throughout this issue are available for each of Alaska's UI offices upon request.

The coding of occupations is based on the Dictionary of Occupational Titles (DOT). In all tables except Table 3, a 2-digit code was used; Table 3 was based on a 3-digit code to provide a greater level of detail. The total number of claimants on each table may vary due to incomplete coding characteristics.

Industry codes are based upon the industry in which the claimant earned wages used to determine the UI benefit amount. In most cases this reflects the last industry in which the claimant was employed. Nearly three-quarters of all Alaska workers have earnings in only one industry. For comparison to February data see cross-tabulated characteristics for August 1981 that were published in Alaska Annual Planning Information 1982 (API).

CLAIMANTS BY INDUSTRY

In February the distribution of claimants by industry reflected that the highest concentration of experienced unemployed was in construction with 26% of all claimants. Services, manufacturing, trade and mining followed with 19%, 14%, 12% and 10%, respectively. At the end of the scale were public administration, finance, and agriculture.

UNEMPLOYED STRUCTURAL WORKERS

In February, 38% (5,277) of all claimants living in Alaska stated that structural work was their primary occupation (See Tables 1 and 2). This is not surprising since construction activity was at its seasonal low. Nearly one-half of these 5,277 claimants

Table 1
Alaska UI Claimants
By Industry and Occupation
February 1982

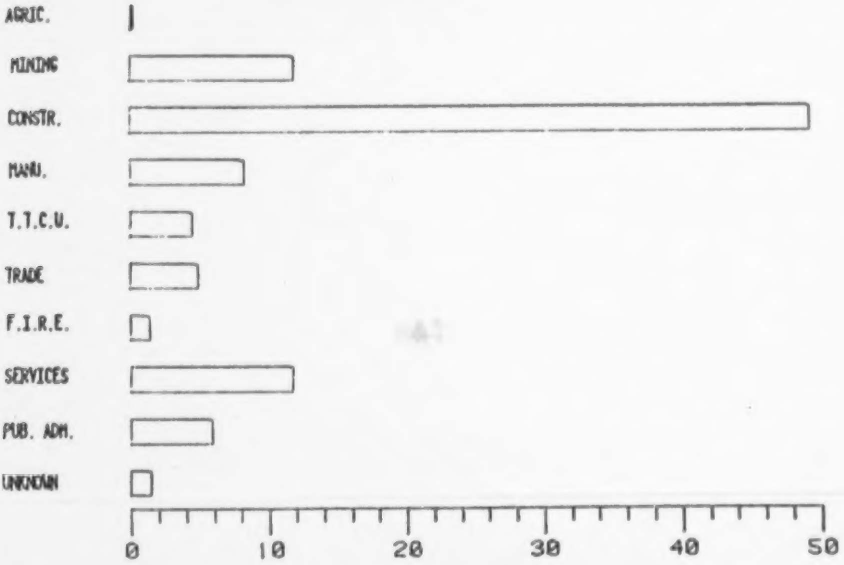
	Total	Ag.	Mining	Const.	Mfg.	Trans.	Trade	Finance	Services	Pub. Ad.	Unknown
TOTAL	14019	104	1347	3616	2026	1023	1668	383	2652	994	206
Officers and Managers	1521	4	139	106	78	155	136	65	572	242	24
Clerical and Sales	1809	2	128	100	118	138	464	169	486	180	24
Services	1567	9	102	94	119	64	475	29	551	97	27
Agricultural, Fishery, Forestry	463	56	22	29	208	22	16	5	48	47	10
Processing	835	10	26	19	656	15	29	12	38	27	3
Machine Trade	616	0	86	138	109	65	87	2	101	19	9
Benchwork	70	0	9	14	10	1	13	1	20	1	1
Structural Work	5277	14	626	2603	437	239	263	79	622	313	81
Misc...........	1861	9	209	513	291	324	185	21	214	68	27

Table 2
Alaska UI Claimants
By Occupation Within Industry Percent Distribution
February 1982

	Total	Ag.	Mining	Const.	Mfg.	Trans.	Trade	Finance	Services	Pub. Ad.	Unknown
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Officers and Managers	10.8	3.8	10.3	2.9	3.6	15.1	8.1	16.9	21.5	24.3	11.6
Clerical and Sales	12.9	1.9	9.5	2.7	5.8	13.4	27.8	44.1	18.3	18.1	11.6
Services	11.1	8.6	7.5	2.5	5.8	8.2	28.4	7.5	20.7	9.7	13.1
Agricultural, Fishery, Forestry	3.3	53.8	1.6	0.8	10.2	2.1	0.9	1.3	1.8	4.7	4.8
Processing	5.9	9.6	1.9	0.5	32.3	1.4	1.7	3.1	1.4	2.7	1.4
Machine Trade	4.3	0.0	6.3	3.6	5.3	6.3	6.2	0.5	3.8	1.9	4.3
Bench Work	0.4	0.0	0.6	0.3	0.4	0.0	0.7	0.2	0.7	0.1	0.4
Structural Work	37.6	13.4	46.4	71.9	21.5	23.3	15.7	20.6	23.4	31.4	39.3
Misc.	13.2	6.6	15.5	14.1	14.3	31.6	11.0	5.4	8.0	6.8	13.1

had worked in the construction industry. Both mining and services had nearly 12% of those claimants whose primary occupation was structural work. The remaining 25% of unemployed structural workers were distributed over the other industries (See graph).

A more detailed occupational analysis of unemployed structural workers indicated nearly two-thirds were carpenters, excavators, graders and miscellaneous construction workers. Other unemployed structural workers included welders,



PERCENT DISTRIBUTION OF STRUCTURAL WORKERS BY INDUSTRY
FEBRUARY 1982

Table 3
Alaska UI Claimants
By Industry for Select Occupations1/
February 1982
Total Claimants 13,806

	Total	Agriculture	Mining	Construction	Manufacturing	Transportation	Trade	Finance	Services	Pub. Adm.	Unknown
Professional/Technical											
Surveying/Cartographic Occupations (018)	149	0	9	23	3	3	2	0	82	19	8
Administrative Specializations, N.E.C.* (169)	106	0	11	10	7	6	8	12	32	18	2
Clerical/Sales											
Stenography, Typing, Filing, & Related, N.E.C.* (209)	190	0	23	13	12	18	37	12	53	18	4
Accounting and Statistical Clerks (216)	164	0	8	11	13	11	28	27	38	28	0
Secretaries (201)	158	1	12	4	9	7	12	10	69	32	2
Sales Clerks (290)	157	0	11	5	10	3	83	5	33	7	0
Bookkeepers & Bookkeeping Mch. Operators (210)	154	1	5	14	16	7	41	23	34	12	1
Cashiers and Tellers (211)	149	0	8	5	2	5	72	26	25	3	3
Shipping, Receiving, Stock & Related (222)	101	0	11	9	6	10	34	2	22	3	4
Services											
Chefs & Cooks, Hotels & Restaurants(313)	313	0	25	25	31	11	106	2	102	5	6
Waiters/Waitresses & Related (311)	208	0	7	9	12	3	116	0	52	8	1
Bartenders (312)	153	1	4	2	6	4	97	1	32	3	3
Kitchen Workers, N.E.C.* (318)	129	1	6	11	6	9	35	2	54	2	3
Agriculture, Fishery, Forestry											
Logging and Related (454)	204	4	5	6	173	5	2	1	5	0	3
Net, Seine, and Trap Fishers (441)	109	39	5	9	18	12	4	1	13	5	3
Processing Occupations											
Processors of Food, Tobacco, & Related Products, N.E.C.* (529)	480	2	5	5	426	4	13	3	16	5	1
Heating, Rendering, Melting, Drying, Cooling, Freezing, and Related (523)	285	8	5	7	206	9	7	8	15	19	1
Machine Trade Occupations											
Motorized Vehicles and Engineering Equipment Mechanics and Repairers (620)	279	0	34	73	33	31	47	2	47	9	3
Structural Work											
Miscellaneous Construction, N.E.C.* (869)	1904	9	262	769	180	89	120	42	249	150	34
Carpenters and Related (860)	854	0	70	499	62	17	38	13	76	62	17
Excavating, Grading, Paving & Related, N.E.C.* (859)	561	3	77	311	44	31	12	3	53	21	6
Excavating, Grading and Related (850)	483	1	51	278	41	33	16	3	26	28	6
Assemblers, Installers and Repairers of Lighting Equipment and Building Wiring, N.E.C.*(824)	216	0	25	124	8	15	9	0	25	8	4
Plumbers, Gasfitters, Steamfitters & Related (862)	188	0	21	133	3	6	5	0	17	2	1
Welders, Cutters and Related, N.E.C.* (819)	179	1	36	66	28	5	9	0	25	7	2
Miscellaneous											
Truck Drivers, Heavy (905)	356	1	35	149	33	66	29	3	31	5	4
Moving & Storing Materials & Products, N.E.C.* (922)	212	2	22	33	33	32	50	1	28	6	5
Passenger Transportation, N.E.C.* (913)	199	1	14	84	14	41	15	0	21	8	3
Packaging & Materials Handling, N.E.C.* (929)	162	0	6	19	33	40	24	3	25	9	3
Motor Freight, N.E.C.* (909)	154	0	8	49	37	31	7	12	14	6	0
Hoisting and Conveying (921)	110	1	13	24	48	3	4	0	10	5	2
Water Transportation (911)	108	3	2	10	19	48	3	4	4	12	2

* Not Elsewhere Classified

1/ Claimants by occupation listed are a representative sample of those three-digit Dictionary of Occupational Titles (D.O.T.) occupations with at least 100 total claimants.

plumbers, gas fitters or people who assemble, install, or repair lights and wires. The remaining 25% were distributed through other structual occupations.

RACE BY INDUSTRY

Table 4 and 5 present another characteristic of unemployment insurance claimants, their race. Race has been cross-tabulated with the claimants' major industry. Table 4 shows the percent distribution of each race over the different industries. The highest percentage of white (non hispanic) claimants worked in the construction industry (29%). Black (non hispanic), hispanic, and Alaska Native or Indian claimants were heavily concentrated in the service industry with 32%, 20%, and 24% respectively. A very large percent (70%) of the Asian/Pacific Islander claimants had worked in manufacturing.

Table 5 shows the racial distribution of claimants in a given industry. In all but one industry the largest percentage of claimants were white (non hispanic). This is not unreasonable considering the racial distribution of Alaska's population and employment. The one industry which was not dominated by white claimants was agriculture. Indian and Alaska Native claimants represented 40% of the claimants who had worked ·other structural occupations.

Table 4
Alaska UI Claimants
Race By Industry
Percent Distribution
February 1982

RACE	Total	Ag.	Mining	Const.	Mfg.	Trans.	Trade	Finance	Services	Pub. Ad.	Unknown
White (Non Hispanic)	100.0	0.4	10.6	29.0	11.5	7.8	13.2	2.1	17.5	6.1	1.3
Black (Non Hispanic)	100.0	0.0	12.9	16.3	5.9	5.0	13.2	4.8	31.9	5.9	3.6
Hispanic	100.0	1.6	8.9	18.5	19.1	6.1	16.8	1.6	20.2	6.1	0.5
Indian and Ak. Native	100.0	1.8	4.0	19.8	16.4	7.1	7.3	4.8	24.2	12.2	2.0
Asian & Pacific Islander	100.0	0.0	3.3	4.2	69.6	1.8	8.9	0.4	10.1	1.0	0.4
Information not Available	100.0	3.3	16.6	16.4	17.0	5.2	5.6	4.4	21.4	8.5	1.1

Table 5
Alaska UI Claimants
Race Within Industry
Percent Distribution
February 1982

	Total	Ag	Mining	Const.	Mfg.	Trans.	Trade	Finance	Services	Pub. Ad	Unknown
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
White (Non Hispanic)	72.5	39.4	80.7	81.9	57.9	77.6	80.9	58.4	67.1	63.2	66.0
Black (Non Hispanic)	2.5	0.0	3.4	1.6	1.0	1.7	2.8	4.4	4.2	2.1	6.3
Hispanic	1.2	2.8	1.1	0.9	1.6	1.0	1.7	0.7	1.3	1.1	0.4
Indian and Ak. Native	16.4	40.3	6.8	12.5	18.7	16.0	10.1	29.5	21.0	28.4	23.3
Asian & Pacific Islander	3.3	0.0	1.1	0.5	16.1	0.7	2.5	0.5	1.8	0.5	0.9
Information not Available	3.8	17.3	6.8	2.4	4.4	2.7	1.7	6.2	4.3	4.6	2.9

ALASKA

By Brit Harvey

NONAGRICULTURAL EMPLOYMENT

April Alaska nonagricultural wage and salary employment expanded by 3,700 jobs to 181,500. The April total was 2.1% above March and 5.6% above the year ago total. Employment growth of 5.6% over a year period indicates fairly strong economic expansion. However, seasonally adjusted April employment decreased 1.3% from March, and the seasonally adjusted March employment was up only slightly from February. It appears Alaska's rapid economic expansion is moderating. Several key industries are experiencing difficulties and are unlikely to drive economic expansion in the coming summer season.

Oil and gas employment, which increased 27% from April 1980 to April 1981, appears to have reached a plateau. April 1982 employment declined slightly to 7,500, and no net growth has occurred in the past year. While the medium and long-term outlook for growth in this sector remains favorable (See May *Trends)*, it is likely that the current 1982 no-growth trend will continue this summer. Worldwide, the energy industry is being buffeted by declining prices, reduced demand and falling profits. This period of general retrenchment is highlighted in Alaska by the Arco decision to slow development of the Kuparuk field. According to *Oil and Gas Journal,* lagging crude prices have forced Arco to cut back on planned new drill sites and delay the construction of a second central production facility.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

				CHANGES FROM:	
	P/	R/			
	4/82	**3/82**	**4/81**	**3/82**	**4/81**
Nonag. Wage & Salary......	180500	176800	171000	3700	9500
Mining	7900	8000	8000	-100	-100
Construction	12200	11200	9500	1000	2700
Manufacturing	9000	8700	11700	300	-2700
Food & Kindred Prod.....	3500	3700	5600	-200	-2100
Lumber & Paper Prod....	2700	2300	3400	400	-700
All Other Mfg.	2800	2700	2700	100	100
Trans. Comm. & Util.	17400	17100	17000	300	400
Trucking & Whseing.	2200	2200	1900	0	300
Water Transportation	1200	1000	1200	200	0
Air Transportation	5100	5100	5400	0	-300
Other Transportation Comm. & Utilities	8900	8800	8500	100	400
Trade	31800	31300	29300	500	2500
Wholesale Trade	6600	6400	5700	200	900
Retail Trade..............	25200	24900	23600	300	1600
Gen. Merchandise & Apparel	4000	3900	4100	100	-100
Food Stores.............	4300	4500	4000	-200	300
Eating & Drinking Places	9000	8800	7900	200	1100
Other Retail Trade	7900	7700	7600	200	300
Finance-Ins. & R. Estate ..	8800	8700	8200	100	600
Services & Misc...........	32500	31700	30100	800	2400
Government	60900	60100	57200	800	3700
Federal Government	17600	17200	17300	400	300
State Government	17700	17500	16600	200	1100
Local Government.......	25600	25400	23300	200	2300

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

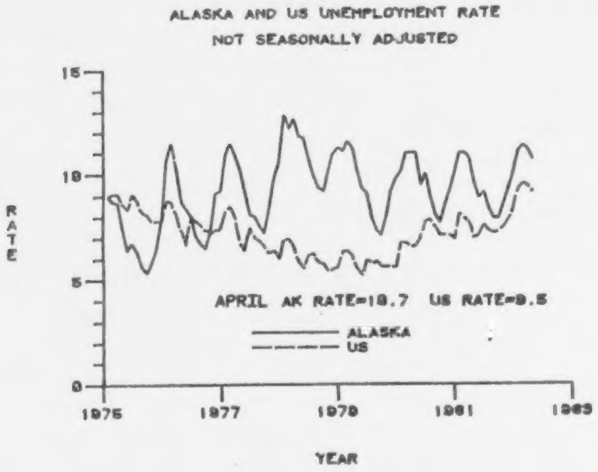
Fish processing employment is even less likely to contribute to continued job growth. Poor crab and herring catches resulted in April employment almost 40% below last year. With botulism publicity and a huge canned salmon inventory threatening to depress summer peak employment, fish processing is a strong candidate to replace lumber and pulp as Alaska's most troubled employment sector.

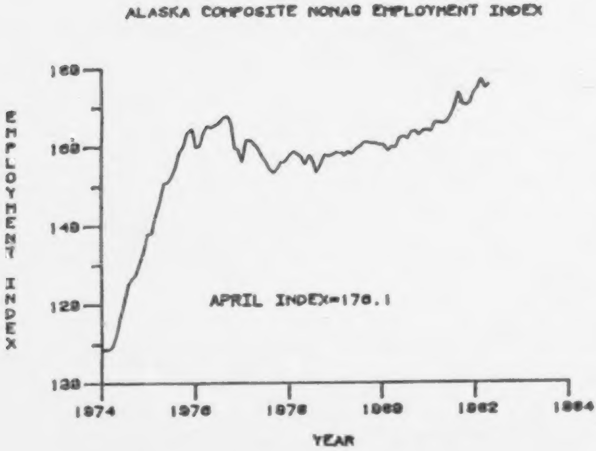
Although some positive signs are evident, lumber and pulp remains mired in a depression which is affecting the entire U.S. industry. April employment was 20% below last year, and 33% below April 1980, a strong year. Even these figures understate the degree of employment erosion in this sector, as many of those counted as employed are not working full weeks and/or all month. A strong yen supports Japanese imports of Alaska forest products. The yen is currently weak at Y237 = 1$ U.S. While some financial forecasters predict a gradual strengthening of the yen, others foresee no improvement as long as the U.S. prime rate remains at 16.50%, more than ten percentage points above the Japanese prime rate of 5.75%.1/ The high U.S. prime rate strengthens the dollar, hurting U.S. exports.

Despite these gloomy facts, there is a brighter side. April lumber and pulp employment rose more than 400 jobs over March, for a seasonally adjusted increase of 6.3%. Japanese log inventories are reportedly being worked down, clearing the way for increased demand. Indonesia and the Philippines announced a ban on log exports. Both countries are major competitors in the Japanese market. While industry analysts question whether the ban will result in the desired increase in domestic employment for these Southeast Asian nations, competing exporters such as Alaska should benefit. While lumber and pulp employment may emerge from its current depressed condition, it is an unlikely source of vigorous employment growth this summer.

Construction employment increased by 1,000 jobs, or 8.9% over March. Seasonally adjusted, this was a 2.7% decrease. It is not surprising that seasonally adjusted employment is off this spring, as the winter dip in construction employment was much less severe than usual. Construction employment was almost 30% above last year. While further growth may be expected due primarily to backlogged state projects, it is unlikely that the construction industry can maintain employment growth at anywhere near the past year's level.

1/ *BusinessWeek*, 5/10/82, page 72; 4/26/82, page 108.





Government employment expanded by 800 jobs in April. The over-the-year growth rate of 6.5% slightly exceeded overall employment growth. Local educational and state noneducational employment contributed to most of the increase.

The secondary industries increased employment in a uniform manner. All advanced by roughly 2% from March. Over the month, there were no sectors with exceptional changes. Over the year, trucking and wholesale construction equipment sales registered almost 20% employment increases.

In summary, none of Alaska's basic industries appear to be in a position to continue driving rapid economic growth. It is likely that the roughly 6% year-to-year growth rates typical of recent months will decline, perhaps substantially. While the "boom" of 1981 pushed up Alaska's employment and population, it is not likely to sustain itself through the summer.

U.S. MILITARY SPENDING

The "rearming" of the United States is a primary objective of the Reagan Administration. Current plans call for federal military expenditures of $1.6 trillion over the next six years.1/ If President Reagan continues to persuade Congress to approve his plans, the result will be a massive shift of federal government resources from non-military to military purposes. This shift will have significant and varying regional affects. Alaska employment is unlikely to benefit.

Historically, United States military buildups have occurred in the context of war. In previous cases such as the Korean War (1949-1952) and Vietnam War (1965-1968), personnel expenditures accounted for the majority of the increase. The current surge in military expenditures is unique in that personnel levels are not slated to increase. All proposed real increases in spending will be for hardware procurement and research and development. For this reason Mr. Reagan's buildup would have rather different economic effects than previous surges in the military budget.

The tables below compare the proposed buildup with previous buildups, using total projected GNP and the projected goods portion of GNP as denominators. As can be seen, the current military buildup is not unprecedented when the overall expenditures are compared to total GNP. It is unprecedented when military hardware expenditures are compared to the goods portion of GNP.

Increase In Military Expenditures As a Percentage of GNP

Period	Percentage Point Increase Over Entire Period
1949-52	8.0
1965-68	2.0
1981-85	1.4 (Projection)

1/ *BusinessWeek*, 2/8/82, page 94.

Increase in Military Nonpersonnel Expenditures as a Percentage of GNP Less Services

Period	Percentage Point Increase Over Entire Period
1965-68	2.8
1981-85	4.1 (Projection)

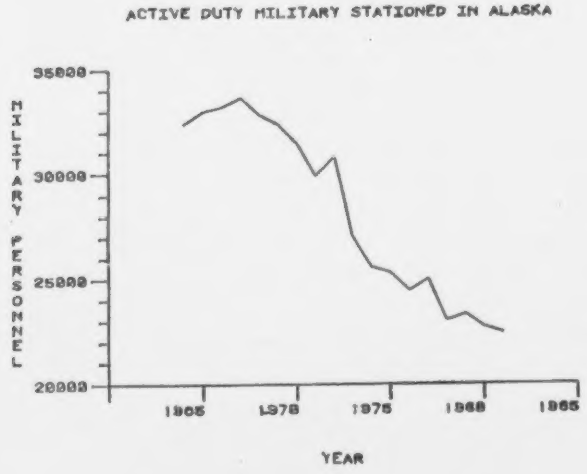
Source: *Brookings Bulletin,* Fall 1981, page, 3,4.

Charles Schultz, former Carter administration chairman of the Council of Economic Advisors, estimates that 30% of all growth in the goods producing sector of the U.S. economy from 1981-85 will be military production.2/ If Schultz's forecasts are correct, military procurement will be a major factor in any successful "reindustrialization" of the U.S.

ALASKA MILITARY EMPLOYMENT

What effect will this shift in federal government expenditures have on Alaska? The military has historically played an important role in Alaska, as has the federal government in general. The accompanying graph shows the number of active duty military personnel stationed in Alaska for each year from 1964 to 1981.

2/ *Brookings Bulletin,* Fall 1981, page 4.



While military personnel are not included in labor force statistics, they do contribute to the economy of the state through off-base purchases. Additionally, the military directly employs civilians, who are included in labor force data. Civilian military employment averaged 4,935 (full-time employees only) during 1978.3/ In September, 1981 the civilian military employment was 4,329.4/

Despite recent personnel increases at Eielson Air Force Base, projections provided by Senator Steven's office call for stable Alaska military personnel and civilian military employment.5/ Unlike Washington, California or Missouri, Alaska has no military hardware manufacturing industry or research and development employment. While these states are receiving employment stimulus from military spending, Alaska is not similarly favored. If Mr. Reagan is able to realize his desire to cut non-military federal employment and shift the freed resources to the military, the economic stimulation experienced by military hardware-producing states will be at the expense of states lacking such industries, such as Alaska.

Additionally, many observers foresee severe inflationary pressures in the military hardware industry resulting from the rapid increase in procurement. Should the rapid buildup strain production capacity, the likely result will be more of the massive cost overruns endemic to the military industry. Observers such as Schultz fear that personnel will be sacrificed to support the favored hardware. Should this scenario occur, Alaska military-related employment might be further affected.

CONCLUSION

In conclusion, the Reagan administration's proposed military buildup would increase hardware-related employment rather than personnel and personnel-related employment. Alaska military-related employment is not likely to increase significantly, due to its personnel-oriented nature. Decreases in non-military federal budgets which help release funds for weapons procurement may result in diminished Alaska federal employment. Should the rapid planned buildup result in cost overruns, pressure to diminish military personnel and civilian military employment may develop. Should the current administration blueprint be carried to fruition, Alaska is unlikely to share in the resulting economic stimulation.

3/ Alaska Department of Labor, Research and Analysis, ES 202 Report of Employment and Wages.

4/, 5/ Conversation with Senator Steven's Juneau Office, 4/27/82.

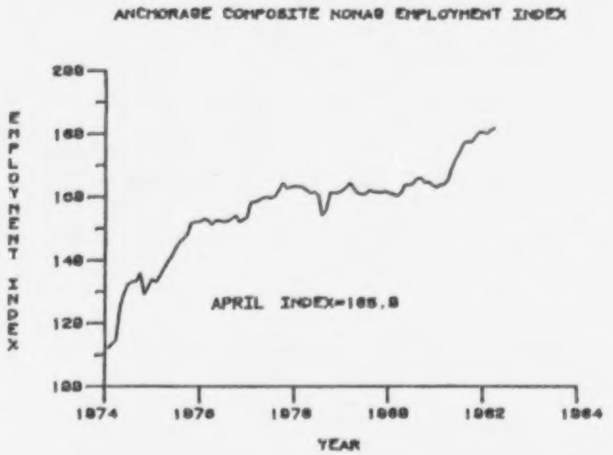
ANCHORAGE-MATSU

By Greg Huff

NONAGRICULTURAL EMPLOYMENT

Anchorage wage and salary employment in April rose by 2,150, 2.6% above the March level. This increase represented 58% of all jobs created statewide in April. In comparison Anchorage represented 48% (up from 46% last year) of total wage and salary employment in Alaska. This indicates that the Anchorage economy expanded at a faster pace than did the state as a whole. Seasonally adjusted wage and salary employment, another indicator of economic health, rose by 2% over March, indicating that the seasonal upturn was much more robust than normal seasonal trends. Gains in construction employment were the primary catalyst.

All major industries had employment increases in April except for mining, which saw seasonal declines in the oil extraction sector, reflecting the winding down of the drilling and exploration season. Transportation, trade and services all had employment increases of 300 or more. Construction employment rose by 700 with general construction (which includes residential and commercial contractors) providing over 180 of those jobs. Heavy construction (highway, bridge and tunnel) supplied 200 jobs with the special trades (plumbing, electrical, masonry, etc.) contributing the remainder. If present construction employment trends continue, employment this season (in that industry) could top the peak of 10,000 in August 1976. However, there is the possibility that by late July or August residential construction employment could depart from the current trend. This will depend on the interplay of the demand and supply of housing for homeownership. Housing demand, which is potentially more volatile than the supply of housing, is determined by the policies and interest rates charged by the Alaska Housing Finance Corporation (AHFC), population growth and income characteristics of the population; all of which will be determined by the general shape of the economy.



LABOR FORCE

April labor force statistics for the Anchorage-MatSu region disclosed that 8.5% of the labor force was unemployed. This was 0.3 percentage points below the March level and 0.7 percentage points above last April's rate of 7.8%. Unemployment statistics for the first quarter of this year have registered similar results, remaining at or above last year's levels. Both interstate and in-state unemployment claims were above last year.

High school and college students will join the labor force over the next couple of months and create additional pressure on the job market. At best the unemployment situation will remain around year ago levels and is not expected to decline much more than a full percentage point below current levels. Despite growing employment, unemployment did not shrink; this happened in 1975-76 and 1977-78.

To be unemployed means that a person is not working and is actively seeking work; regardless of whether the person collects unemployment insurance. Below are some characteristics of Anchorage unemployment insurance claimants.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ANCHORAGE-MATSU

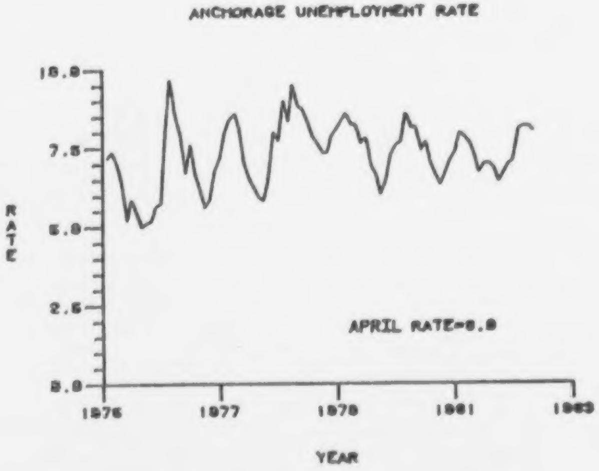
	P/ 4/82	R/ 3/82	4/81	CHANGES FROM: 3/82	4/81
Nonag. Wage & Salary	90400	88150	83150	2250	7250
Mining	3500	3550	3050	-50	450
Construction	7000	6300	5300	700	1700
Manufacturing	1900	1800	1750	100	150
Trans. Comm. & Util.	8900	8550	8700	350	200
Trade	19150	18800	17450	350	1700
Finance-Ins. & R. Estate	5950	5850	5700	100	250
Services & Misc.	18450	18050	17250	400	1200
Government	25550	25250	23950	300	1600

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/	R/			
	4/82	**3/82**	**4/81**	**3/82**	**4/81**
Nonag. Wage & Salary	87000	84850	79650	2150	7350
Mining	3400	3450	2950	-50	450
Construction	6800	6100	5100	700	1700
Manufacturing	1850	1750	1700	100	150
Food & Kindred Prod.	300	300	300	0	0
Other Mfg.	1550	1450	1400	100	150
Trans. Comm. & Util.	8650	8350	8300	300	350
Trucking & Whseing.	1050	1050	1100	0	-50
Water Transportation	400	300	400	100	0
Air Transportation	3350	3150	3350	200	0
Other Transportation Comm. & Utilities	3850	3850	3450	0	400
Trade	18450	18100	16700	350	1750
Wholesale Trade	4550	4450	4150	100	400
Retail Trade	13900	13650	12550	250	1350
Gen. Merchandise	1850	1750	1750	100	100
Food Stores	2100	2100	1900	0	200
Eating & Drinking Places	4850	4800	4250	50	600
Other Retail Trade	5100	5000	4650	100	450
Finance-Ins. & R. Estate	5900	5800	5550	100	350
Services & Misc.	18000	17600	16800	400	1200
Government	23950	23700	22550	250	1400
Federal	9700	9500	9350	200	350
State	6200	6200	5500	0	700
Local	8050	8000	7700	50	350

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

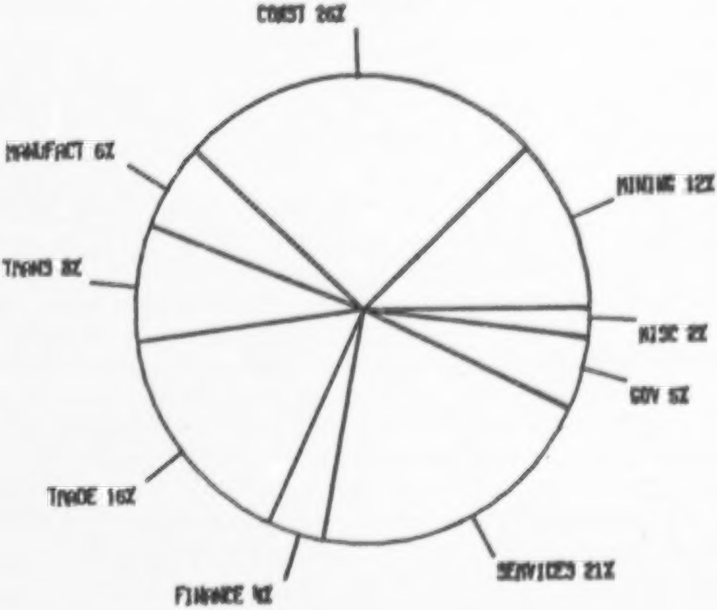
UNEMPLOYMENT INSURANCE CLAIMANT CHARACTERISTICS

The insured unemployed represents the largest group of unemployed. However, a significant number of unemployed are excluded from these figures, including those not covered by unemployment insurance such as self-employed individuals, household workers, and some commissioned sales people. Also excluded are those claimants whose benefits have been exhausted and have not yet found employment or have become discouraged workers, reentrants to the labor market such as women who had been carrying family responsibilities, and new entrants such as youth who attempt to enter the labor market for the first time.

ANCHORAGE UI CLAIMANTS

PERCENT DISTRIBUTION BY INDUSTRY

FEBRUARY 1982



The largest share of insured unemployed persons in February had been employed by the construction industry, followed by services and then trade. The ratio between the nurnber of insured unemployed and employment by industry was the highest in construction (19%), while services (5%) placed second, and trade (3.4%) third.

Anchorage UI Claimants
By Occupation
(Percent Distribution)
February 1982

Total	100%
Professional, Tech., Mgr.	15
Clerical and Sales	16
Services	12
Processing	1
Machine Trade	4
Bench Work	1
Structural	36
Miscellaneous	14
Agriculture	1

Unemployed persons from the services industry were concentrated in the professional, clerical and general services occupations. The vast majority of unemployed construction workers had been in structural occupations. Trade occupations hardest hit by unemployment were clerical, sales and services personnel. Looking strictly at occupational groups, structural workers represented over 36% of those unemployed, and clerical and sales followed with 16%.

There are seasonal variations in the industrial and occupational distribution of insured unemployed workers. For example, during the peak of summer construction insured unemployment drops dramatically. Directly correlated to construction unemployment, structural occupations experience a similiar decline. In 1981 the average duration for collecting unemployment insurance in Anchorage was 13.5 weeks, with an average weekly payment of $124. Total payment equaled $16,362,246. The maximum number of weeks for which regular benefits can be collected is 26, with an additional 13 weeks of extended benefits. The benefit amount and length of time a claimant can receive benefits depends on their past record of earnings and length of employment.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	4/82	3/82	4/81	4/82	3/82	4/81	4/82	3/82	4/81	4/82	3/82	4/81
Alaska Statewide	199282	198249	185450	21311	22267	17789	10.7	11.2	9.6	177971	175982	167661
Anch.-MatSu Region.....	100893	99823	90561	8606	8752	7097	8.5	8.8	7.8	92287	91071	83464
Anchorage.............	91001	89992	81637	7266	7361	5908	8.0	8.2	7.2	83735	82631	75729
Matanuska-Susitna	9892	9831	8924	1340	1391	1189	13.5	14.1	13.3	8552	8440	7735
Gulf Coast Region	22224	21999	21009	3585	3517	2639	16.1	16.0	12.6	18639	18482	18370
Cordova	1131	1157	1080	133	168	97	11.8	14.5	9.0	998	989	983
Kenai	11410	11500	10920	1913	2083	1560	16.8	18.1	14.3	9497	9417	9360
Kodiak	5050	4706	4596	794	486	401	15.7	10.3	8.7	4256	4220	4195
Seward	1586	1585	1495	257	267	185	16.2	16.8	12.4	1329	1318	1310
Valdez	3047	3051	2918	488	513	396	16.0	16.8	13.6	2559	2538	2522
Interior Region	26088	26266	24658	3787	3717	2994	14.5	14.2	12.1	22301	22549	21664
Fairbanks	21280	21369	20005	3103	2991	2347	14.6	14.0	11.7	18177	18378	17658
Southeast Fairbanks...	2107	2146	2012	284	302	241	13.5	14.1	12.0	1823	1844	1771
Upper Yukon	643	642	616	99	92	88	15.4	14.3	14.3	544	550	528
Yukon-Koyukuk........	2058	2109	2025	301	332	318	14.6	15.7	15.7	1757	1777	1707
Northern Region	9242	9321	8950	724	820	857	7.8	8.8	9.6	8518	8501	8093
Barrow-North Slope ...	2437	2475	2365	139	182	182	5.7	7.4	7.7	2298	2293	2183
Kobuk.................	2916	2926	2834	273	288	322	9.4	9.8	11.4	2643	2638	2512
Nome	3889	3920	3751	312	350	353	8.0	8.9	9.4	3577	3570	3398

Southeast Region	30163	30296	29652	3415	4232	3050	11.3	14.0	10.3	26748	26064	26602
Angoon	433	420	450	79	75	98	18.2	17.9	21.8	354	345	352
Haines	1019	1051	1030	117	172	132	11.5	16.4	12.8	902	879	898
Juneau	10661	10475	10374	952	1013	717	8.9	9.7	6.9	9709	9462	9657
Ketchikan	6355	6503	6354	728	1020	758	11.5	15.7	11.9	5627	5483	5596
Outer Ketchikan	830	900	805	167	254	146	20.1	28.2	18.1	663	646	659
Prince of Wales	1423	1460	1440	185	254	209	13.0	17.4	14.5	1238	1206	1231
Sitka	4475	4371	4240	552	549	339	12.3	12.6	8.0	3923	3822	3901
Skagway	1485	1505	1493	177	230	192	11.9	15.3	12.9	1308	1275	1301
Wrangell-Petersburg	3482	3611	3466	458	665	459	13.2	18.4	13.2	3024	2946	3007
Southwest Region	10672	10544	10620	1194	1229	1152	11.2	11.7	10.8	9478	9315	9468
Aleutian Islands	2764	2747	2761	187	214	186	6.8	7.8	6.7	2577	2533	2575
Bethel	3437	3376	3458	422	413	446	12.3	12.2	12.9	3015	2963	3012
Bristol Bay Borough ...	398	398	387	58	64	47	14.6	16.1	12.1	340	334	340
Bristol Bay	1402	1374	1405	129	123	133	9.2	9.0	9.5	1273	1251	1272
Kuskokwim	984	980	957	162	172	136	16.5	17.6	14.2	822	808	821
Wade Hampton	1687	1669	1652	236	243	204	14.0	14.6	12.3	1451	1426	1448

P/=Preliminary R/=Revised 1981 Benchmark

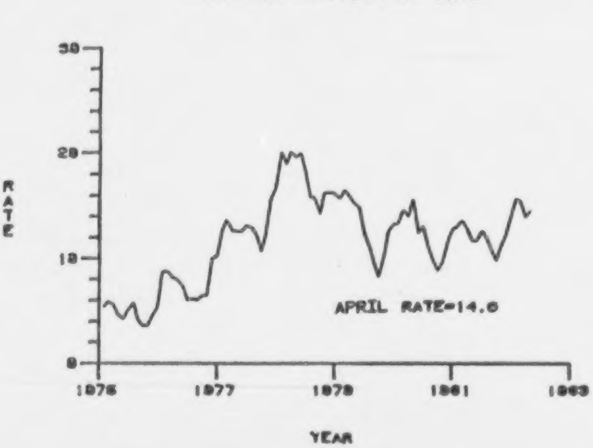
Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

FAIRBANKS/INTERIOR

By Neal Fried

LABOR FORCE

Though spring is on its way, April's labor force statistics did not reflect this. Unemployment rates at 14.5% for the Interior and 14.6% for Fairbanks hardly budged from January levels. The rate typically begins to fall in April, but this year the decline will apparently be postponed until May. The unemployment rate remained two points above the year-ago level largely because the number of job seekers continued to grow more rapidly than did the number of jobs.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	P/	R/			
	4/82	**3/82**	**4/81**	**3/82**	**4/81**
Nonag. Wage & Salary......	21600	21400	21000	200	600
Mining	50	50	50	0	0
Construction	1250	1300	1050	-50	200
Manufacturing	450	450	650	0	-200
Trans. Comm. & Util.	2600	2600	2650	0	-50
Trucking & Whseing.	350	400	400	-50	-50
Air Transportation	650	650	650	0	0
Other Trans. Comm. & Utilities..................	1600	1550	1600	50	0
Trade	4000	3800	3800	200	200
Wholesale Trade	700	700	650	0	50
Retail Trade..............	3300	3100	3150	200	150
Gen. Merchandise & Apparel	350	350	350	0	0
Food Stores.............	600	600	550	0	50
Other Retail Trade	2350	2150	2250	200	100
Finance-Ins. & R. Estate ..	750	750	750	0	0
Services & Misc...........	4050	3950	3850	100	200
Government	8450	8500	8200	-50	250
Federal	2300	2250	2250	50	50
State	3500	3650	3700	-150	-200
Local......................	2650	2600	2250	50	400

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/		CHANGES FROM:	
	4/82	**3/82**	**4/81**	**3/82**	**4/81**
Nonag. Wage & Salary......	24700	24650	24350	50	350
Mining	200	200	150	0	50
Construction	1350	1400	1150	-50	200
Manufacturing	550	550	800	0	-250
Trans. Comm. & Util.	3400	3400	3400	0	0
Trade	4200	4000	4100	200	100
Finance-Ins. & R. Estate ..	750	750	800	0	-50
Services & Misc.	4350	4300	4150	50	200
Government	9900	10050	9800	-150	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

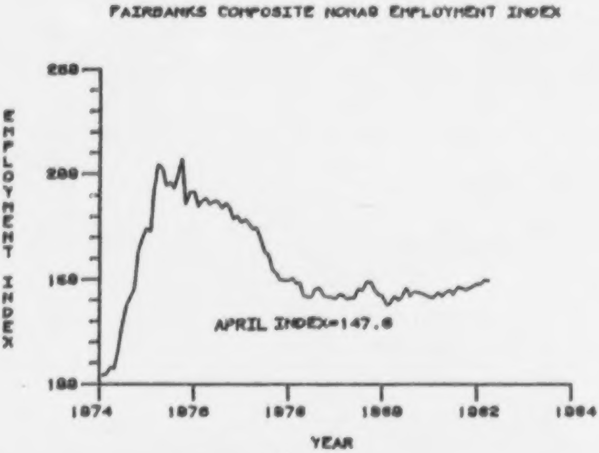
UNEMPLOYMENT INSURANCE CLAIMANT CHARACTERISTICS

To provide further insight into the labor force statistics, the characteristics of the insured unemployed will be discussed below. The insured unemployed account for only a segment of the unemployed in labor force statistics. Others are unemployed but not collecting unemployment insurance because; 1) they are not eligible for unemployment insurance benefits; 2) they have exhausted their benefits; or 3) they have chosen not to collect unemployment for a variety of reasons. To more completely represent unemployment, estimates are made of this group of unemployed and then added to the number of those drawing unemployment benefits.

In 1981, $8 million was paid in unemployment insurance in Fairbanks. This was the third largest amount in the decade; only the post-pipeline years of 1977-1978 exceeded this level. The major reason for the large outlay was a UI law change that increased in weekly benefits in October 1980. Presently the

Fairbanks UI Claimants
By Occupation
(Percent Distribution)
February 1982

Total	100%
Professional, Tech., Mgr.	10
Clerical and Sales	12
Services	12
Processing	1
Machine Trade	6
Bench Work	1
Construction	47
Miscellaneous	11
Agriculture	1



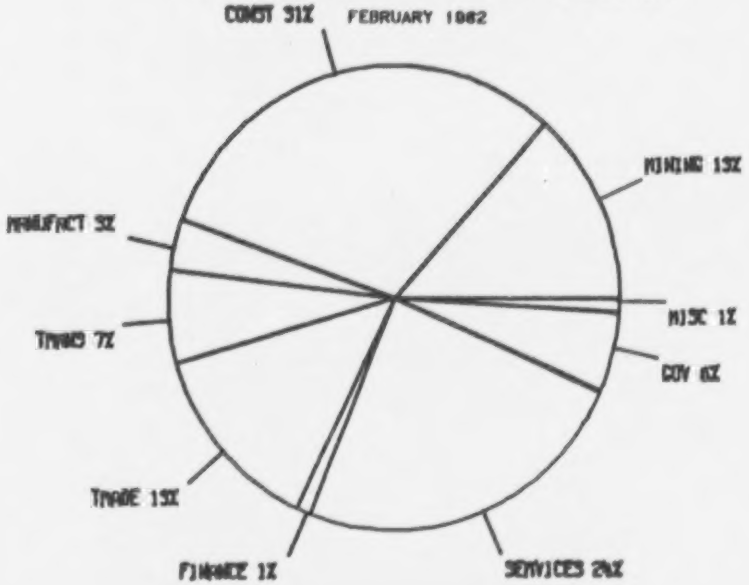
claimant can receive a minimum benefit of $34 per week and a maximum, with three dependents (at $24 per dependent) of $222. In 1981 the average benefit amount paid out in Fairbanks was $131 per week. Regular benefits can be collected for 26 weeks, with an additional 13 weeks of extended benefits. In Fairbanks in 1981 a claimant collected benefits for an average of 13.2 weeks, which was the shortest duration in five years. This was a reflection of the combined effect of increased economic activity in Fairbanks which allowed more people to return to work earlier and for a longer period of time and the new UI law. The benefit amount and length of time a person receives insurance depends on their past record of earnings and length of employment.

In Fairbanks, the industries in which the claimants were employed span the entire spectrum of the economy. The industry distribution of claimants is not proportional with employment. Seasonal industries dominate the insured unemployed statistics. For example, construction, which employed approximately 6% of wage and salary employment in February represented 32% of the claimants. During the summer construction's percentage share shrinks, but it remains the largest group. Other seasonal industries, such as mining and services also have a high ratio of claimants to employment. For industries that remain relatively stable throughout the year, the ratio of unemployed to employed is much lower. For example, trade employed 18% of the wage and salary work force in Fairbanks, but 13% of the claimants were from that industry. Government employed 40% of the wage and salary work force, while only 4.6% of the claimants were formerly employed in government.

Unemployment insurance statistics for mining claimants are somewhat unique because there are very few people employed in this industry in Fairbanks. Instead, most are employed elsewhere in the Interior or on the North Slope. When laid off for the season, many workers return to their homes in Fairbanks,

FAIRBANKS UI CLAIMANTS

PERCENT DISTRIBUTION BY INDUSTRY



where they collect unemployment insurance, and are therefore counted in the Fairbanks statistics.

The occupational distribution of unemployment claimants sometimes reflects the industry composition. Approximately 46% of all claimants were structural (construction) workers. On the other hand, professional-technical and clerical-sales occupations, are less seasonal and have a better balance between the supply and demand. This showed up in the February claimant statistics, where it has been estimated that clerical and sales occupations comprised 26% of Fairbanks' work force, but only 12% of the claimants.

The industrial and occupational mix of claimants can be altered with changing economic conditions. When poor economic conditions prevail over a prolonged period, industries which are typically more stable will eventually increase their distribution share of claimants. The bigger picture, however does not change dramatically, where the seasonal industries continue to contribute the largest share of the insured unemployed.

GULF COAST

By Neal Fried

LABOR FORCE

Gulf Coast April labor force statistics changed little from March. Employment grew, but only marginally compared to past years because the herring season came late in certain areas of the region. The number of unemployed grew slightly and the unemployment rate remained in the 16% range. Unemployment rates ranged from a low of 11.8% for the Cordova division to a high of 16.8% in Kodiak. The number of unemployed and the unemployment rate came in above last year's levels for all five divisions. This was both a result of the late herring season and the continued in-migration of job seekers.

UNEMPLOYMENT INSURANCE CLAIMANT CHARACTERISTICS

The labor force numbers discussed in the above paragraph, are generally good economic indicators, but provide little detail of the characteristics such as what industries the unemployed worked in before they lost their jobs, what were their occupations and how much did they receive in unemployment benefits. Unemployment insurance claimants constitute the largest share of labor force unemployment, but do not account

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	4/82	3/82	4/81	3/82	4/81
Nonag. Wage & Salary	15600	15200	15600	400	0
Mining	900	900	850	0	50
Construction	800	600	650	200	150
Manufacturing	2500	2550	3000	-50	-500
Food & Kindred Prod.	1700	1800	2100	-100	-400
All Other Mfg.	800	750	900	50	-100
Trans. Comm. & Util.	1600	1600	1600	0	0
Trade	2300	2150	2250	150	50
Wholesale Trade	400	300	400	100	0
Retail Trade	1900	1850	1850	50	50
Finance-Ins. & R. Estate	450	450	400	0	50
Services & Misc.	2500	2400	2450	100	50
Government	4550	4550	4400	0	150
Federal	500	500	500	0	0
State	1400	1350	1350	50	50
Local	2650	2700	2550	-50	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

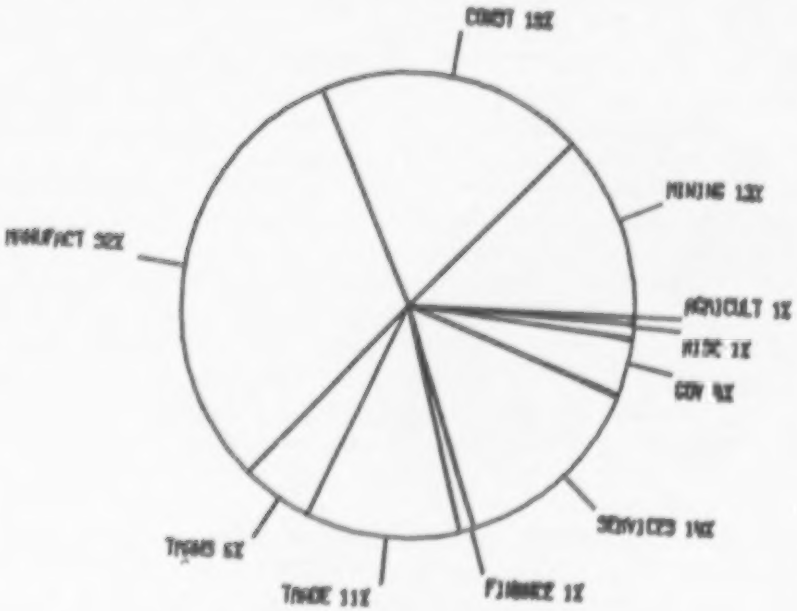
for all of the unemployed. This is because: 1) not all people who are unemployed are eligible for unemployment insurance; 2) some choose not to collect benefits for a variety of reasons; and 3) others have exhausted their benefits but remain unemployed. Estimates are made for these groups of unemployed and are then added to the number of those drawing unemployment benefits. Some of the characteristics of the unemployment insurance claimants will be discussed below. In 1981 $9 million was paid in unemployment benefits in the Gulf Coast, with the Kenai-Cook Inlet census division receiving $5.4 million, Kodiak $1.6 million, Valdez $1.3 million, and Seward $.82 million. In 1981 the average claimant received approximately $110 per week. The minimum was $34 and the maximum with 3 dependents (at $24 per dependent) was $222. The maximum number of weeks for which regular benefits can be collected is

26 weeks and with extended benefits, an additional 13 weeks can be collected provided the claimant meets qualifying provisions.

KENAI, KODIAK AND SEWARD UI CLAIMANTS

PERCENT DISTRIBUTION BY INDUSTRY

FEBRUARY 1982



Kenai, Kodiak and Seward UI Claimants By Occupation (Percent Distribution) February 1982

Total	100%
Professional, Tech. Mgr.	7
Clerical and Sales	9
Services	8
Processing	26
Machine Trade	5
Bench Work	0
Construction	33
Miscellaneous	9
Agriculture	3

The benefit amount and the length of time a claimant receives benefits depends on the claimant's past record of earnings and length of employment.

According to Gulf Coast claimant statistics (which include only those claimants served by Kenai, Kodiak and Seward Employment Security offices) in February, the largest number of claimants formerly worked in manufacturing (32%). The lion's share of these manufacturing claimants were employed in fish processing, the largest industry outside of government. The seasonal nature of fishing is the major reason why so many claimants were formerly attached to the industry. As workers return to work during the summer months, the percentage share of manufacturing claimants shrinks, but this industry continues to represent the largest group of insured unemployed throughout the year. Not all areas within the region were dominated by claimants who had worked in manufacturing. For example, manufacturing claimants served by the Kenai Employment Security office totaled only 9%, while construction was the largest at 25%. Claimants in Seward were more evenly distributed, with both construction and manufacturing at about the same level. Kodiak claimants, on the other hand, were clearly dominated by the processing industry (80%). These figures simply reflect the differences in the industry make-up of area economies.

The seasonal industries such as construction, manufacturing, transportation and, to an extent, services have a higher ratio of unemployed to employed. Trade, finance and government have a much lower ratio, because employment in these industries does not swing as wildly with the seasons. For example, in February 4% of Gulf Coast claimants had formerly worked in government, whereas 30% of wage and salary employment in the region was with government.

The occupational distribution of unemployment claimants mirrors the industry breakdown of the region. Claimants with construction and manufacturing occupations represented more than 59% of all claimants. Occupations such as professional-technical (67%) and clerical-sales (9%) enjoyed a low ratio of unemployed to employed due to the stable nature of the industries in which those occupations are most prevalent. In addition, people with these skills usually have a better chance of finding employment. Changing economic conditions can create subtle changes in the distribution of the claimants by industry and occupation. For example, during long periods of economic decline the less seasonal industries and more stable occupational groups will represent a greater percentage of the claimants. The overall picture, however, does not usually change dramatically. Seasonal industries are responsible for the largest share of the unemployed and the less seasonal industries contribute to unemployment to a much smaller degree.

SOUTHEAST ALASKA

By Debbie Berggren

NONAGRICULTURAL EMPLOYMENT AND LABOR FORCE

Southeast nonagricultural wage and salary employment increased 4% during April to 26,550. This was 400 jobs below last April. The unemployment rate also improved during April, dropping 2.7 percentage points to 11.3%, up from 10.3% last year.

Construction employment increased 22% during April. All sectors contributed to this increase. Despite the potential of restricted building due to the uncertainty about capital relocation, building construction increased 24% to approximately 500 jobs, the highest level since at least April 1974. Building construction which has typically been 30% to 40% of total construction was 50% this April. Construction of commercial buildings has created many of these jobs. In Juneau alone 3 major projects were in progress. These projects are the Department of Labor building, the Goldbelt building and the Centennial building. Highway and special trades employment increased 13% and 31%, respectively.

Manufacturing employment increased 24%, or 600 jobs, over the month and was 1,400 jobs below year-ago. Food processing employment increased by 250 jobs as the canneries hired additional crew to process herring. Lumber and paper products employment increased 20%, or 350 jobs. All of this increase was in logging as the camps geared up after winter shutdowns. Logging employment increased 93% during the month, but was still 50% below year-ago. Although the employment did increase substantially, it is not expected to reach last year's level. Sawmill and pulpmill employment remained stable.

Total government was unchanged over the month. The decline in local government was offset by an increase in state government. State noneducation employment increased by approximately 100 jobs and was about 300 jobs above last April. Federal government remained stable over the month, but was 150 jobs below year-ago.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	P/	R/			
	4/82	3/82	4/81	3/82	4/81
Nonag. Wage & Salary	26500	25650	26950	900	-400
Construction	1100	900	950	200	150
Manufacturing	3050	2450	4450	600	-1400
Food & Kindred Prod.	700	450	1350	250	-600
Lumber & Paper Prod.	2100	1750	2900	350	-800
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Util.	2450	2450	2400	0	50
Trade	3900	3850	3600	50	300
Wholesale Trade	350	350	350	0	0
Retail Trade	3550	3500	3250	50	300
Finance-Ins. & R. Estate	1050	1050	1100	0	-50
Mining, Services & Misc.	3550	3500	3400	50	150
Government	11450	11450	11050	0	400
Federal	2100	2100	2250	0	-150
State	5350	5250	4950	100	400
Local	4000	4100	3850	-100	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

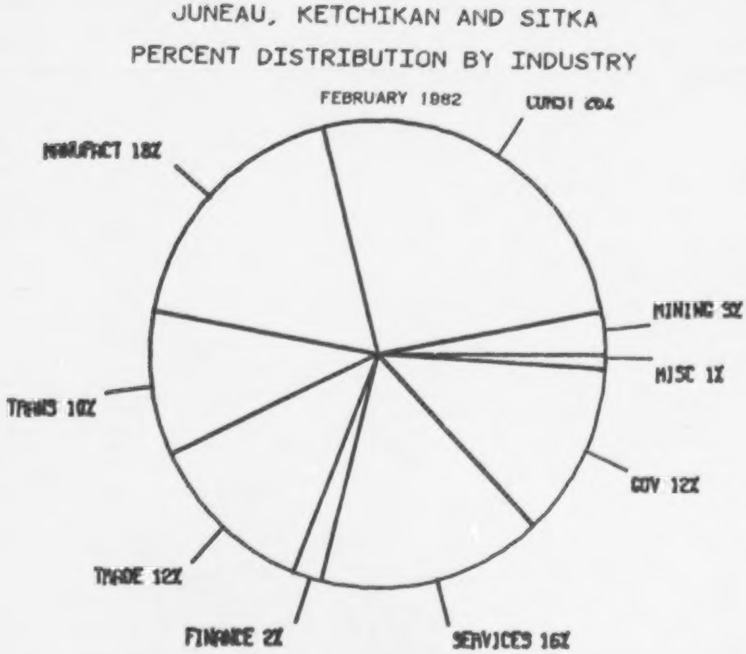
P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

UNEMPLOYMENT INSURANCE CLAIMANT CHARACTERISTICS

During the key week of February, 1,391 people filed for unemployment insurance benefits at the Juneau, Ketchikan and Sitka Employment Security offices. These claimants were about 10% of the state total. Each claimant was coded by the industry in which they had been employed and by occupational category. (See Tables and Graph)

Twenty-nine percent of all claimants were structural workers. A further breakdown, indicated about 69% of the claimants with structural occupations had been employed in the con-



struction industry. While construction was only about 3% of the total employment, it had the highest percent of claimants. This was attributed to the highly seasonal nature of the construction industry and the fact that February is one of the slowest months for construction employment.

Another 18% of total claimants had been employed in the manufacturing industry. Twenty-nine percent of these claimants had miscellaneous occupations. Only 13% of the manufacturing claimants were coded under processing occupations. The reason this was so low could be that many of the people that work in these occupations are transient workers who come up for the summer and then move out-of-state after the season is over. This would mean that fewer of these people would be filing for unemployment insurance in Alaska, thus fewer claimants.

Government, or public administration, was about 45% of the total February employment. Only 12% of total February claimants had been employed by this industry.

Juneau, Ketchikan and Sitka UI Claimants
By Industry
February 1982

	Total	Ag.	Mining	Const.	Mfg.	Trans.	Trade	Finance	Services	Pub. Ad.	Unknown
Total Number . . .	1391	6	37	360	253	138	160	34	218	165	20
% Distribution . . .	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Officers and Managers	11.4	16.7	13.5	3.6	5.1	12.3	5.0	14.7	19.3	30.3	25.0
Clerical and Sales	14.3	0	13.5	1.7	8.3	9.4	26.9	41.2	23.4	27.3	5.0
Services	13.4	0	13.5	2.8	10.3	6.5	37.5	11.8	23.9	10.9	15.0
Agricultural, Fisheries & Forestry	3.3	50.0	10.8	0.3	7.5	2.2	0.6	2.9	3.2	3.6	5.0
Processing	3.0	0	2.7	0.6	13.0	0.7	0.6	5.9	0.5	0.6	0
Machine Trades	4.3	0	5.4	2.8	5.5	6.5	6.9	5.9	5.0	0.6	0
Bench Work	0.9	0	0	1.1	2.0	0	0	0	1.4	0	0
Structural Work	29.3	16.7	24.3	69.4	19.4	13.8	10.0	11.8	14.2	14.5	25.0
Miscellaneous . .	20.0	16.7	16.2	17.8	28.9	48.6	12.5	5.9	9.2	12.1	25.0

A breakdown of all claimants who had been government workers indicates 30% were officers, managers and 27% were clerical workers or sales personnel.

In summary, the highest number of claimants in February were structural workers, clerical workers, sales personnel and miscellaneous occupations. Industries which had the highest number of unemployed were construction, manufacturing and services.

EMPLOYMENT OPPORTUNITIES OF THE U.S. BORAX PROJECT

By Jeff Hadland

The U.S. Borax Quartz Hill molybdenum mine near Ketchikan has the potential for becoming the largest single private employer in Southeastern Alaska and the largest metal mine in the state. Because the impacts of this project could be felt very soon the Alaska Department of Labor has been actively disseminating project information and encouraging the development of training programs which will maximize the opportunities for Alaskans. The Department's Research and Analysis Section has provided technical support in the area of data collection to assure that baseline socioeconomic information for Ketchikan acquired by Entercom, Inc., a U.S. Borax contractor, was consistent with established procedures. This information confirmed high levels of unemployment in Ketchikan, which could be positively affected by the addition of new year round, long term jobs. Diversification of the regional economy, which currently depends on the timber and fisheries industries, would also result from this addition to the economic base.

In 1974, U.S. Borax discovered the molybdenum deposit at Quartz Hill, about 45 air miles from Ketchikan. To date the company has invested about $40 million on the find. The mine will cost about $1.5 billion (1987 dollars) to develop. Total molybdenite ore reserves are estimated at more than 1.5 billion tons, making it one of the largest deposits in the world. The ore will be extracted at the rate of 60,000 tons per day giving the mine a 70 year life. Extraction and on-site processing of the ore provide the bulk of the jobs. The open pit mine requires use of large trucks and shovels while the removal of the molybdenum concentrate from the ore requires the use of crushers, flotation equipment, and filters and the disposal of pulverized waste rock. The workers will be housed either at a new townsite on location or will be transported by water from Ketchikan to a campsite at the mine.

U.S. Borax expects to have the Final Environment Impact Statement for a bulk sampling road approved by August, 1982. Bulk sampling involves the removal of substantial amounts of rock in order to determine the type of process to be used and to substantiate the mineral reserves. Construction of a road for bulk sampling could begin during 1982 with bulk sampling to occur in 1983. Assuming that all financial and environmental hurdles are overcome construction of the mine facilities could begin in 1984 with operation of the mine to begin in 1987. Because the facility is within the Misty Fjords National Monument future environmental delays could affect the time frame of the project. In addition, the current world market for molybdenum, an additive to steel, is very poor. U.S. Borax believes the markets will improve by the end of the decade, although a lower level of ore production is possible during the early years of operation.

During the three and one-half year construction period starting in 1984, approximately 1,000 direct jobs will be available at the mine site. Operations employment will directly employ over 800 workers, excluding townsite or campsite support services. The bulk of the jobs at the mine will be related to production of ore and maintenance and repair of equipment. Heavy equipment operators, mechanics and filter and crusher operators are the major specific occupational titles included in the mine plan. A large number of professional, technical and clerical positions will be needed as well. Clearly, a large amount of training and education will be required for many of the positions needed at this new mining facility

Depending upon whether the workers are housed at a new townsite or transported from Ketchikan, we would expect that there could be as many as 1,500 new jobs in the Ketchikan area. This includes all direct, indirect and income-induced employment. With current monthly employment in the Ketchikan census division averaging over 5,500, these new jobs will create a substantial economic impact. During March of 1982 nearly 12% of the Ketchikan labor force was unemployed, about 1,000 workers. Although this is a seasonal high, poor timber market conditions and future fisheries uncertainty make the interest in the U.S. Borax project high and the opportunities for improving the regional economic condition a genuine prospect. Not only will mining jobs result, but also employment from the entire spectrum including transportation, trade, services and government will likely occur. There are clearly not a sufficient number to secure positions. In addition, upward mobility, reduced out-migration and more opportunities for the young (an idea expressed by Ketchikan residents in Entercom's resident survey) are likely results of the growth.

These opportunities present challenges to the Department of Labor and to other agencies as well. Current programs, such as the Alaska Career Information System (AKCIS), a cooperative program of the Departments of Labor and Education, could be utilized to provide information on job descriptions and opportunities to high school and other job seekers. The Alaska Career Information's Occupational Data System (ODS) currently being developed is designed to help administrators and planners keep abreast of state and regional labor market information that is usable in program planning. Information for, initially, 100 of the 240 AKCIS occupations or occupational groups will include current occupational employment estimates and projections, wage rate information, a supply/demand analysis, educational requirements, and major industries where employment occurs. The current status of statewide and regional labor market indicators and their recent trends will be included. The ODS could be a useful link between occupational needs of the molybdenum project and vocational training planning. Utilization of training programs will allow planners and jobseekers to make more informed decisions.

As the training requirements and plans become more firm the Department of Labor plans to continue to provide information and encourage programs that will ameliorate the negative effects of the project. The extent to which Alaskans benefit from this project may in part be determined by the amount of information provided, the level of training support and the quality of that training.

HOURS AND EARNINGS IN MARCH

By Su Hendrix

Average weekly hours changed in several industries in March, whereas average hourly earnings remained stable.

The biggest changes occurred in all sectors of the manufacturing industry. Food and kindred products exhibited a 15% drop in average weekly hours, resulting in a 14% drop in average weekly earnings. These declines were due to an employment increase of 1,000 in March. Most of the new employees worked shorter hours, either because a stronger crab and shrimp season was expected than took place, or to prepare new workers for the heavy summer months. Food processing workers are expected to work longer hours when the salmon industry is in full swing, provided the market improves during a time when there are large inventories of canned salmon already, and the botulism scare has closed, at least temporarily, some European markets.

After the high average weekly hours in February in lumber and paper products, the average weekly hours in March dropped 9% to come close to year-ago figures. This decline was mostly due to lower hours worked in logging camps, where increased hours in February were the result of sawmill activity.

Contract construction showed a 10% increase in average weekly hours in March which brought the average weekly hours worked slightly above the year-ago figure. This is partly due to a boom in Anchorage office and condominium building. Employees on several smaller projects around the state also worked long hours. Both hours and earnings remained fairly stable in special trades and construction other than buildings.

The 5% drop in average weekly earnings in the finance industry was caused by decreases in total payroll in the finance and real estate sectors.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Weekly Hours			Average Hourly Earnings			Average Weekly Earnings		
	p/ 3/82	r/ 2/82	3/81	p/ 3/82	r/ 2/82	3/81	p/ 3/82	r/ 2/82	3/81
MINING	20.83	20.78	20.53	51.0	51.2	49.5	1062.33	1063.94	1016.24
CONTRACT CONST.3/	21.88	22.58	20.46	47.4	43.2	46.7	1037.11	975.46	955.48
MANUFACTURING	12.95	13.24	11.15	35.1	39.6	39.0	454.55	524.30	434.85
Food & Kindred Prod.......	8.63	8.54	7.73	28.3	33.2	37.9	244.23	283.53	292.97
Lumber & Paper Prod......	15.53	15.27	14.07	41.6	45.8	40.3	646.05	699.37	567.02
TRANS., COMM. & UTIL.	15.05	14.91	13.45	36.6	37.6	38.1	550.83	560.62	512.45
TRADE	9.60	9.54	9.55	33.3	33.5	34.2	319.68	319.59	326.61
Wholesale Trade	11.24	11.09	11.51	37.3	37.2	37.6	419.25	412.55	432.78
Retail Trade	8.83	8.84	8.78	31.7	32.1	33.0	279.91	283.76	289.74
FINANCE, INS. & R.E.........	--	--	--	--	--	--	331.50	347.32	319.18

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

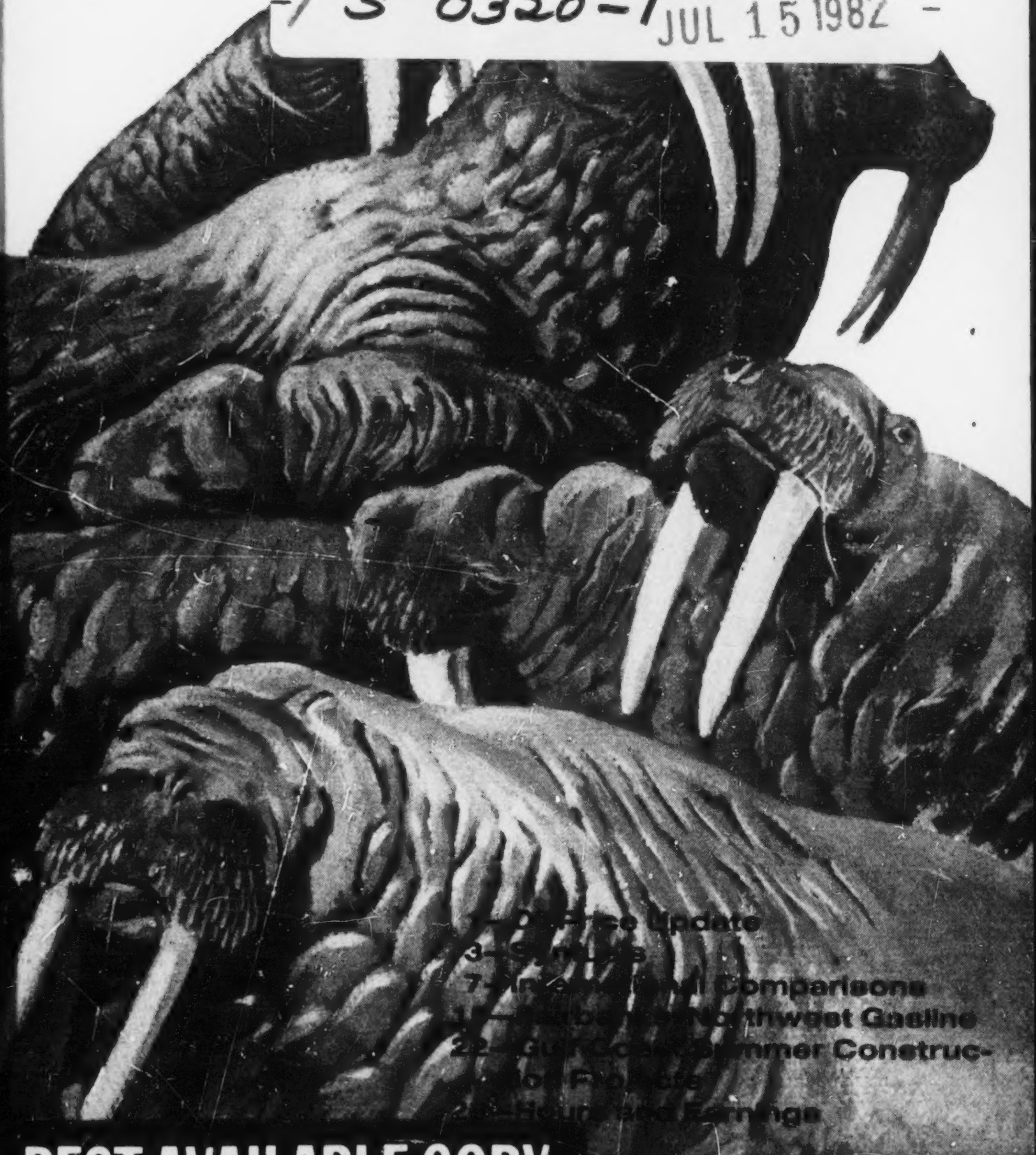
3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years' data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC TRENDS

-/ S 0320-/ JUL 15 1982 -



1—Oil Price Update
3—Census
7—International Comparisons
1[illegible]—[illegible] Northwest Gasline
22—Gulf Coast Summer Construction Projects
2[illegible]—Hours and Earnings

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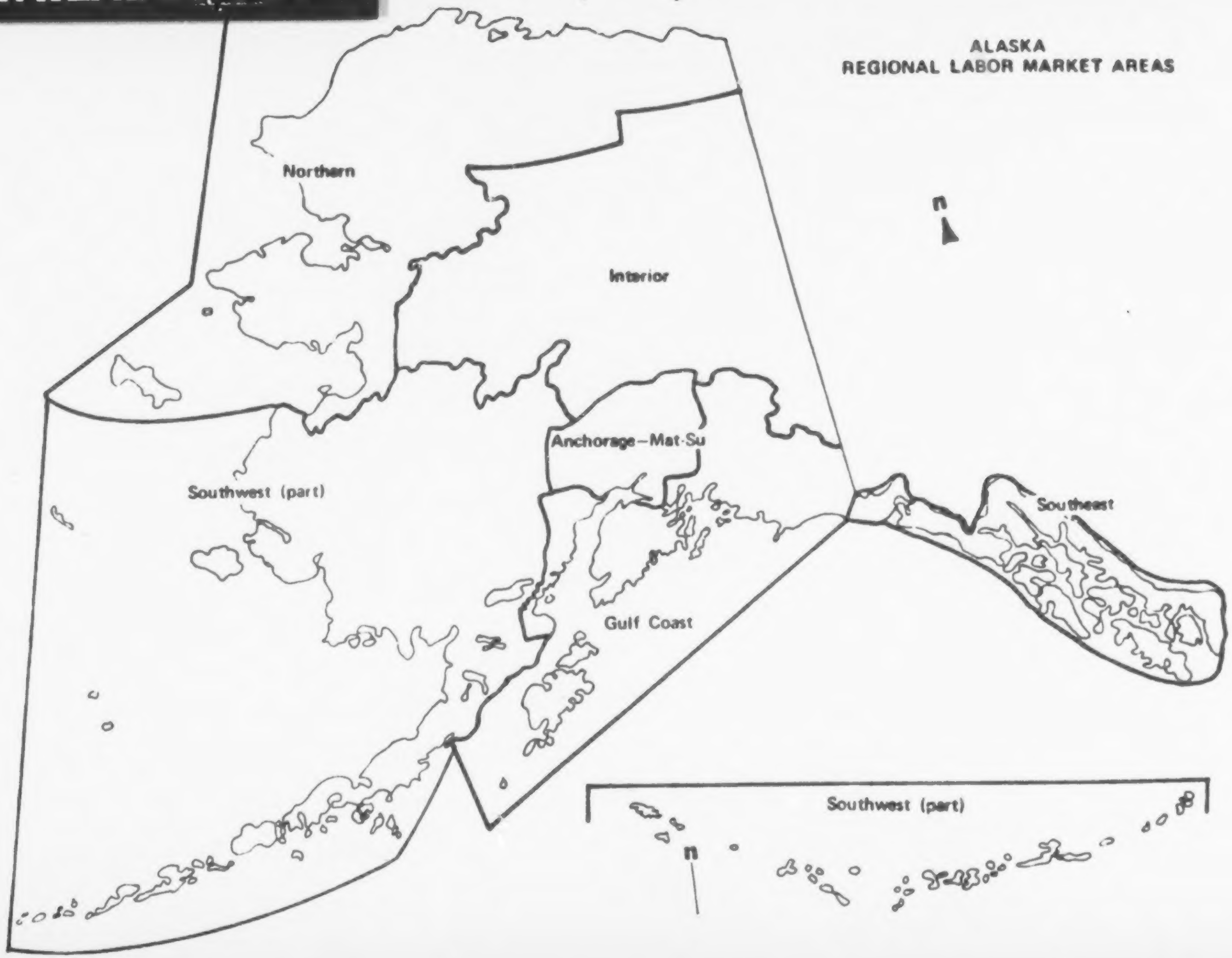

ALASKA
REGIONAL LABOR MARKET AREAS

Northern
Interior
Anchorage–Mat-Su
Southwest (part)
Gulf Coast
Southeast
Southwest (part)
n
n

ALASKA ECONOMIC TRENDS

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ALASKA

By Brit Harvey

OIL PRICE UPDATE

Crude oil prices, the most important factor in analyzing Alaska's economy, have apparently ended their decline, at least for the time being. Spot market prices of Saudi Arabian light crude have risen almost $4/bbl. since March.1/ The primary causes of firming crude prices are an end to worldwide petroleum products inventory drawdowns and unexpected cooperation among OPEC member nations. According to *Oil and Gas Journal*, OPEC's successful defense of its price structure surprised even some members. OPEC production in April was under 16 million bbl./day out of a total capacity of 34 million bbl./day. Whether OPEC can continue to limit production to 17.5 million bbl./day and support its $34/bbl. compromise price is problematic.

While firming crude prices positively influence Alaska employment, it is unclear whether the current OPEC discipline will persist. OPEC prices remain under substantial downward pressure. *The Economist* reports that new OPEC deposits in western banks dropped from $42 billion in 1980 to $3 billion in 1981. Within OPEC, the net bank deposits outstanding of the "high absorber" nations with large populations and pressing development needs (all members except Saudi Arabia, Kuwait, Qatar and UAE) declined over 65% between mid-1980 and the end of 1982.2/ Some projections of OPEC's overall current accounts deficit for 1982 are as high as $5 billion.3/ Although OPEC has held for the time being, the cost has been high. A change in the underlying supply and demand of crude is necessary to maintain current prices, as OPEC cannot withstand these huge losses for long.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	P/	R/			
	5/82	**4/82**	**5/81**	**4/82**	**5/81**
Nonag. Wage & Salary	186200	180900	176700	5300	9500
Mining	7900	7900	8200	0	-300
Construction	14400	12800	10900	1600	3500
Manufacturing	10100	9000	12600	1100	-2500
Food & Kindred Prod.	4000	3200	5900	800	-1900
Lumber & Paper Prod.	3000	2900	3700	100	-700
All Other Mfg.	3100	2900	3000	200	100
Trans. Comm. & Util.	18200	17500	18100	700	100
Trucking & Whseing.	2100	2200	1900	-100	200
Water Transportation	1300	1200	1500	100	-200
Air Transportation	5600	5200	5800	400	-200
Other Transportation Comm. & Utilities	9200	8900	8900	300	300
Trade	33300	31900	30500	1400	2800
Wholesale Trade	6700	6600	6000	100	700
Retail Trade	26600	25300	24500	1300	2100
Gen. Merchandise & Apparel	4100	3900	4100	200	0
Food Stores	4800	4300	4200	500	600
Eating & Drinking Places	9500	9200	8400	300	1100
Other Retail Trade	8200	7900	7800	300	400
Finance-Ins. & R. Estate	9100	8900	8500	200	600
Services & Misc.	32900	32400	30900	500	2000
Government	60300	60500	57000	-200	3300
Federal Government	17700	17300	17500	400	200
State Government	17000	17700	16200	-700	800
Local Government	25600	25500	23300	100	2300

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

OPEC, along with the oil industry is banking on increased demand for petroleum products as a result of a broad economic recovery among western nations. Shell Oil Company economists foresee an early end to the current recession, followed by "steady expansion over the next few years." Shell, putting its money where its economists' mouths are, has not reduced U.S. expenditures, as have other major oil corporations.4/

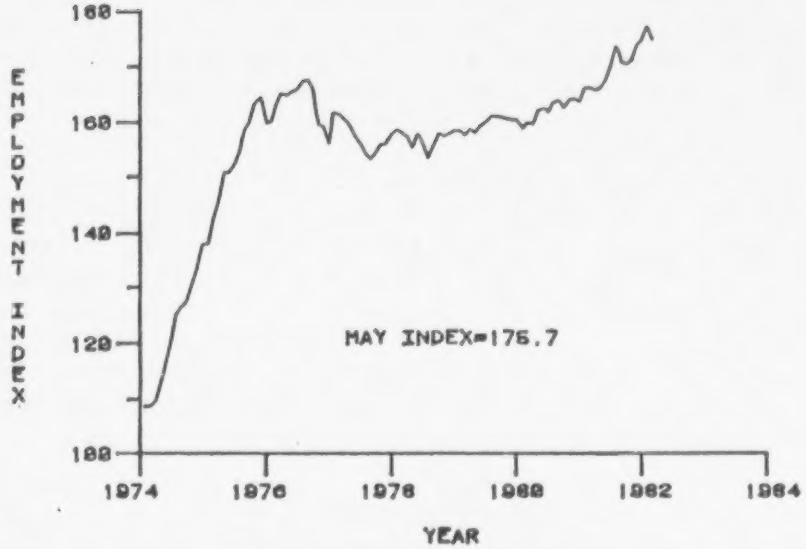
Despite the current stability in oil prices, Alaska's position remains somewhat precarious. Strong oil prices depend on continued OPEC cohesion and a U.S.-led world economic recovery to boost demand. In view of the severe pressure on OPEC and the absence of any imminent sign of economic recovery in the U.S., projections of short-term oil prices must remain conservative. It would be premature to interpret the current firming of oil prices as permanent.

SYNFUELS

Exxon is the world's largest corporation (ranked by sales), a major North Slope producer, and 20% owner of the Alaska Oil pipeline. On May 2, 1982, Exxon announced its withdrawal from the Colony shale oil synfuel project near Parachute, Colorado. Exxon, which spent $920 million on the project, is unlikely to see any return on this investment during the century, if ever. Several aspects of this decision hold implications for Alaska.

The shelving of the Colony project is widely viewed as a severe blow to the entire synfuels industry. Coupled with the pullout by Shell and Gulf from the $10.7 billion Alberta tar-sands synfuel project, the Exxon withdrawal pushes large-scale synthetic fuels production further into the future. *Fortune* called the Exxon decision, "a victory for Sheikh Yamani."5/ It is also a victory of sorts for long-term Alaska economic expansion. Exxon's decision appears to confirm the price advantage of conventional oil over synfuels, delays the development and improvement of synfuel technology, and points toward energy industry investment in conventional oil rather than synfuels in the near-term. As an oil-rich region with only one small proposed synfuel project, Alaska stands to benefit.

ALASKA COMPOSITE NONAG EMPLOYMENT INDEX



NONAGRICULTURAL EMPLOYMENT

Alaska nonagricultural wage and salary employment was 186,200 in May, 2.9% above April and 5.1% above last year. However, seasonally adjusted May employment was 1.2% below April. Following an April revised seasonally adjusted decrease of 0.5%, the May employment estimate indicates Alaska's recent economic growth has at least temporarily stalled.

Oil and gas employment declined in May by 250 jobs to 7,200. This decline parallels a nationwide contraction in the industry. Arco is cutting its overall 1982 capital budget 10-15%. Gulf, which announced plans to greatly expand its Alaska presence, now projects its worldwide 1982 outlays at $4 billion. This is $500 million below the projection made just last December.6/ British Petroleum (BP), which owns a controlling interest in Sohio and a direct 15.85% share of the Alaska oil pipeline, has been especially hard hit by the downturn in oil prices. BP suffered a 25% decline in net income from 1980 to 1981, the worst performance among the world's seven major oil groups.

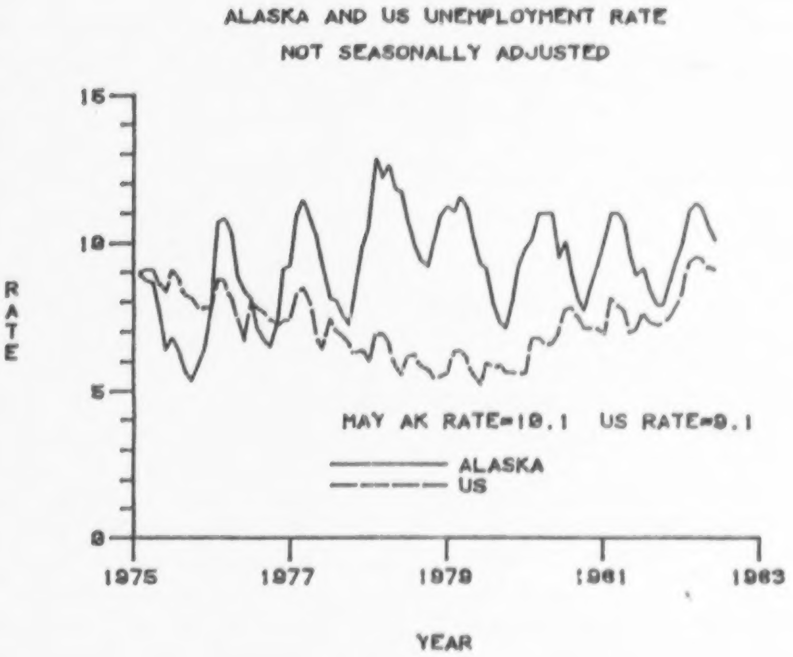
Sohio, which derives about 90% of its cash flow from Prudhoe Bay, provided 70% of BP's operating earnings during 1981, up from 53% in 1980.7/ In simplified terms, Prudhoe Bay accounted for about two-thirds of the 1982 profits of BP, the world's fourth largest oil corporation (ranked by 1981 petroleum product sales). While Sohio's remarkable contribution to BP's bottom line is partially a result of BP's losses elsewhere, it does demonstrate the magnitude of the profits generated by the Prudhoe Bay field.

The relaxation of environmentally-based Beaufort Sea seasonal drilling restrictions announced by Natural Resources Commissioner Katz may give a small boost to employment during the late spring and early summer months. The impact will be small, since only a few wells are involved.

Construction employment expanded 12.5% to 14,000 in May. The year-to-year employment gain remains above 30%, accounting for 37% of all employment expansion over the year. The huge role played by construction in Alaska's recent economic expansion has important implications. Construction is highly cyclical. Both residential and office construction are subject to periods of overbuilding followed by slack employment while demand catches up with supply. State spending and lending for construction-related programs introduces additional cyclicity attributable to political factors and oil price variations. As a result, construction-driven growth is particularly subject to the boom-bust effect.

Alaska's forest products sector remained in its slump, with employment down by more than 20% from last year's weak level. The lengthening period of forest products recession demonstrates the importance of the market in determining natural resource use levels. The d-2 agreement was designed to maintain forest product industry employment in Southeast by providing a 450 million board foot harvest from federal land. Despite the passage of d-2, industry employment is sharply down. While d-2 assured supply through government legislation and planning, market demand is an equally important ingredient in providing employment.

Seafood processing employment, the other major component of manufacturing employment, remained low.



ALASKA AND US UNEMPLOYMENT RATE
NOT SEASONALLY ADJUSTED

An important factor indirectly influencing manufacturing employment is the yen-dollar exchange rate. Both forest products and seafood depend heavily on the Japanese market. The yen remained weak in May, raising the price of imports to Japan and lowering the price of its exports. Allegations of Japanese manipulation of currency exchange markets to depress the yen and support Japan's export-led economy have surfaced recently in the business press. While Japanese scheming provides a convenient scapegoat for management and labor spokespersons in depressed industries such as autos and steel, the weak yen is probably a result of U.S. interest rates much higher than Japan's. Until these rates decline, it is unlikely that the yen will strengthen much against the dollar. While Alaskan manufacturing employment is depressed by a weak yen, Alaskan consumers are helped by lower prices on Japanese products such as cars, TV's, and stereos. This helps limit inflation.

Government employment declined slightly, primarily due to the layoff of about 1,000 people by the University of Alaska.

Among the secondary industries there were no unusual trends with the exception of trade, which expanded by 4.3% for the month (0.5% seasonally adjusted) and 9.2% over last year. This increase may be at least partially attributable to the advent of the tourist season.

In summary, Alaska's economy has not displayed underlying expansion in the past two months. When the weak summer employment outlooks for several key industries are also considered, it appears that the Alaska economy is in a plateau phase following fairly rapid growth during 1981.

UNEMPLOYMENT

Alaska's unemployment rate is unambiguously up this year. The May rate of 10.1% was substantially higher than the May 1981 rate of 8.9%. The number of unemployed Alaskans increased during this period by more than 20%, despite greater than 5% nonagricultural employment growth.

SOURCES

1/ *BusinessWeek;* June 7, 1982, page 27.
2/ *The Economist;* May 22, 1982, page 101.
3/ *Petroleum Economist;* June, page 225.
4/ *Oil and Gas Journal;* May, 24, 1982, page 48.
5/ *Fortune;* May, 31, 1982, page 106.
6/ *Fortune;* June 14, 1982, page 164.
7/ *Petroleum Economist;* May, 1982, page 174.

INTERNATIONAL COMPARISONS

How does Alaska compare economically to other parts of the world? The following comparisons are based on data compiled by the Organization for Economic Cooperation and Development (OECD)1/, and the Alaska Department of Labor, Research and Analysis. Where possible, OECD "standardizes" its data to adjust for inconsistent definitions and methodologies in member countries. Although these data still reflect the statistical idiosyncracies of individual countries, they are broadly comparable.

1/ *OECD Observer;* March 1982, page 23.

Unemployment
1981 Annual Average

Turkey	14.5%
Spain	13.7%
Great Britain	11.2%
Belgium	10.9%
Alaska	9.4%
Canada	7.5%
France	7.5%
United States	7.5%
Japan	2.2%

Consumer Price Index

	December 1980 to December 1981	Average Annual 1976-1981
Turkey	28.6%	54.9%
Spain	14.5%	18.0%
France	14.0%	11.2%
Canada	12.1%	9.7%
Great Britain	12.0%	13.4%
Australia	11.3%	9.8%
United States	8.9%	9.8%
Belgium	8.1%	6.1%
Alaska	7.3%2/	10.2%3/
Japan	4.3%	5.7%

2/ Anchorage CPI-U, November 1980 to November 1981

3/ Anchorage CPI-U 1978-1981; CPI-W 1976-1977

Full Time School Enrollment (Percent of 15-19 Age Group) 1980

United States	75.0%
Japan	71.4%
Alaska	70.3%
Canada	64.9%
Belgium	61.3%
France	55.9%
Great Britain	46.2%
Australia	44.4%
Spain	41.3%
Turkey	12.7%

Standard of Living (Gross Domestic Product Per Capita Converted by Purchasing Power Parity)4/ 1980

United States	$11,364
France	$9,040
Belgium	$8,724
Japan	$8,467
Great Britain	$7,629
Spain	$5,840
Alaska	N/A

4/ Purchasing Power Parity: A standard market basket of goods and services that are included in the Gross Domestic Product (GDP) is surveyed in each country. Cost of the market basket is calculated in each country's local currency. The dollar is used as a cost reference; simplified, purchasing power parities (PPP) are obtained by comparing the cost of each market basket. PPP's are similar to exchange rates; however, they are based on goods and services. PPP's are preferable to exchange rates in use of standardizing GDP's because exchange

ANCHORAGE/MATSU

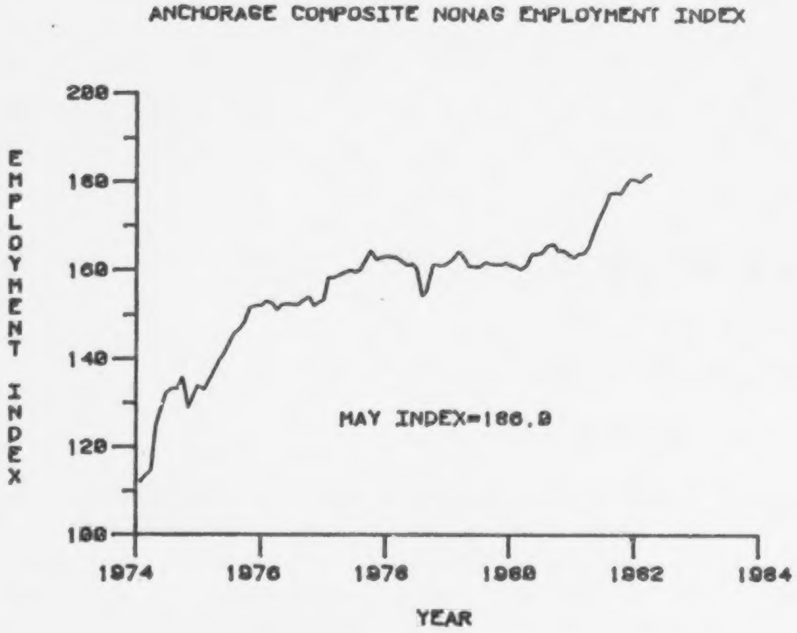
By Greg Huff

LABOR FORCE

The unemployment rate for the Anchorage-MatSu region in May dropped slightly from April's rate of 8.6% to 8.2%. This decline resulted from a seasonal increase in employment and a decline in the number of unemployed. While May's rate fell below the previous month it was a full percentage point above last May's rate. This was the fourth straight month the unemployment rate registered marks above those of last year. The May-to-May difference was caused by a 25% increase in the number of unemployed, while the number of employed grew just slightly over 9%. This May's unemployment rate of 8.2% was surpassed only once in the last six years in 1978 with a rate of 9.4%.

NONAGRICULTURAL EMPLOYMENT

Anchorage nonagricultural wage and salary employment expanded in May by 2,850 jobs (3.3%). To date, total wage and salary employment has increased by 6,850 jobs (8.3%) since January of this year. Most of this growth was seasonal in nature. Underlying employment growth, reflected by seasonally adjusted employment data, increased 0.5% from April. Since the beginning of the year seasonally adjusted employment has grown by 3.1% and, more significantly, the year-to-year data showed increases of 7.8%. In summary, seasonally adjusted data showed unusual employment growth during the off season and growth slightly above normal seasonal trends in May.

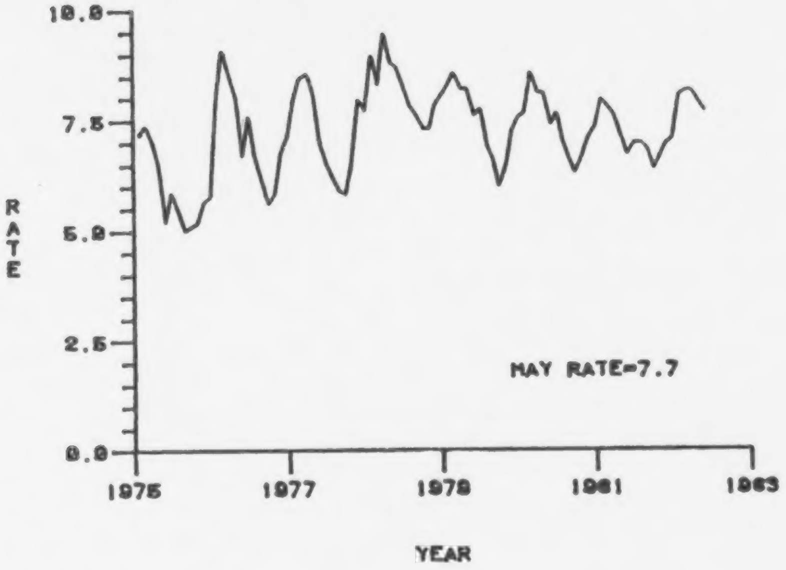


BASIC INDUSTRIES

Basic industries are those industries which sustain an economy and provide the catalyst for economic growth. Historically, government, particularily federal government, was the dominant basic industry in Anchorage. Though government remains a vital industry, the oil industry now dominates in driving the economy. It does so through taxes and royalties which provide the state with its immense revenues. In turn these revenues are distributed through the economy by the wages and salaries paid to state employees and the state's operating and capital expenditures. Oil money also flows through the economy via direct oil industry employment and capital expenditure.

Besides oil and government, other basic industries in Anchorage are heavy construction, a small amount of fish processing, some transportation and some industries which are connected to tourism and other visitors.

ANCHORAGE UNEMPLOYMENT RATE



It has been estimated that for every job created in the oil industry between 0.9 and 1.5 jobs are created elsewhere in the economy. For basic industries as a whole the "multiplier" ranges from 1.5 to 2.3. This means that for every job created in the basic industry 0.5 to 1.3 jobs are created in the nonbasic sector of the economy.

Mining employment in May managed an over-the-month increase as seasonal increases in mineral mining offset seasonal declines in the oil sector. Mineral mining includes those firms not only involved in actual mining activity, but also in the exploration of mineral deposits. Despite this year's lower oil prices, oil related employment has remained above the year-ago level in Anchorage. Since last May total mining employment has increased by 250 jobs. According to seasonally adjusted data, a substantial amount of this increase was more than just seasonal growth. Mining employment (specifically, oil related) is expected to continue to grow in the future.

However, the present lower oil prices will postpone development plans which will have a direct effect on employment growth.

Government employment followed normal seasonal trends, declining in May by 150, but remaining above last May's employment level. All government sectors, federal, state, and local, contributed to the over-the-year growth. The month-to-month decrease was caused by seasonal declines in University of Alaska and Anchorage Community College employment. Despite the seasonal declines seasonally adjusted employment data reflected underlying growth.

NONBASIC INDUSTRIES

Nonbasic industries are those industries which, to varying degrees, derive their growth through expansion of the basic industries, increased personal income and population growth. Nonbasic industries in Anchorage account for over half of all jobs. Trade and services, the two largest nonbasic sectors, supplied over 37,000 jobs in May. Employment throughout the nonbasic industries increased in May with trade leading the way with 650 more jobs than in April.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	*R*		*P*	*R*		*P*	*R*		*P*	*R*	
	5/82	4/82	5/81	5/82	4/82	5/81	5/82	4/82	5/81	5/82	4/82	5/81
Alaska Statewide	202638	199222	190126	20430	21311	16992	10.1	10.7	8.9	182208	177911	173134
Anch.-MatSu Region	102449	100568	92954	8360	8604	6681	8.2	8.6	7.2	94089	91964	86273
Anchorage	92512	90706	83865	7142	7265	5587	7.7	8.0	6.7	85370	83441	78278
Matanuska-Susitna	9937	9862	9089	1218	1339	1094	12.3	13.6	12.0	8719	8523	7995
Gulf Coast Region	22722	21868	22303	3138	3582	2445	13.8	16.4	11.0	19584	18286	19858
Cordova	1157	1112	1169	109	133	106	9.4	12.0	9.1	1048	979	1063
Kenai	11735	11229	11480	1757	1912	1362	15.0	17.0	11.9	9978	9317	10118
Kodiak	5136	4968	4960	664	793	426	12.9	16.0	8.6	4472	4175	4534
Seward	1615	1561	1632	218	257	216	13.5	16.5	13.2	1397	1304	1416
Valdez	3079	2998	3062	390	487	335	12.7	16.2	10.9	2689	2511	2727
Interior Region	26716	26193	25330	3907	3786	3021	14.6	14.5	11.9	22809	22407	22309
Fairbanks	21853	21366	20598	3262	3102	2415	14.9	14.5	11.7	18591	18264	18183
Southeast Fairbanks	2130	2116	2036	265	284	212	12.4	13.4	10.4	1865	1832	1824
Upper Yukon	648	645	632	92	99	88	14.2	15.3	13.9	556	546	544
Yukon-Koyukuk	2085	2066	2064	288	301	306	13.8	14.6	14.8	1797	1765	1758
Northern Region	9339	9440	8814	711	728	848	7.6	7.7	9.6	8628	8712	7966
Barrow-North Slope	2468	2491	2348	141	141	199	5.7	5.7	8.5	2327	2350	2149
Kobuk	2945	2979	2793	267	275	321	9.1	9.2	11.5	2678	2704	2472
Nome	3926	3970	3673	303	312	328	7.7	7.9	8.9	3623	3658	3345

Southeast Region	30345	30580	29806	2959	3419	2907	9.8	11.2	9.8	27386	27161	26899
Angoon	409	438	471	47	79	115	11.5	18.0	24.4	362	359	356
Haines	1051	1033	1022	127	117	114	12.1	11.3	11.2	924	916	908
Juneau.................	10812	10815	10515	870	954	752	8.0	8.8	7.2	9942	9861	9763
Ketchikan	6411	6443	6335	650	729	677	10.1	11.3	10.7	5761	5714	5658
Outer Ketchikan	854	840	817	175	167	150	20.5	19.9	18.4	679	673	667
Prince of Wales	1399	1442	1384	132	185	139	9.4	12.8	10.0	1267	1257	1245
Sitka	4475	4536	4283	459	553	338	10.3	12.2	7.9	4016	3983	3945
Skagway	1483	1505	1497	144	177	181	9.7	11.8	12.1	1339	1328	1316
Wrangell-Petersburg.............	3451	3528	3482	355	458	441	10.3	13.0	12.7	3096	3070	3041
Southwest Region	11067	10573	10919	1355	1192	1090	12.2	11.3	10.0	9712	9381	9829
Aleutian Islands........	2821	2738	2850	180	187	177	6.4	6.8	6.2	2641	2551	2673
Bethel..................	3597	3406	3589	507	422	462	14.1	12.4	12.9	3090	2984	3127
Bristol Bay Borough ...	400	395	381	51	58	28	12.8	14.7	7.3	349	337	353
Bristol Bay	1440	1389	1435	136	129	115	9.4	9.3	8.0	1304	1260	1320
Kuskokwim	1019	976	983	177	162	131	17.4	16.6	13.3	842	814	852
Wade Hampton........	1790	1669	1681	304	234	177	17.0	14.0	10.5	1486	1435	1504

P/=Preliminary 1981 Benchmark

R/=Revised (Due to technical revision these rates supercede those contained in the news release, June 18, 1982).

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

FAIRBANKS/INTERIOR

By Neal Fried

LABOR FORCE

Fairbanks labor force statistics continued to relay mixed results. Employment in May grew, but unemployment did the same at a faster pace. This resulted in higher unemployment rates in May. Interior region's rate remained the highest statewide at 14.6% and Fairbanks' rose to 14.9%. These rates are somewhat reminiscent of the rates in 1979, when the economy was sluggish and still recuperating from the oil pipeline experience. But unlike that period, the present economy is showing some vigor. The labor market simply is not growing rapidly enough to absorb all individuals wishing to find employment.

NORTHWEST GASLINE

Wage and salary employment continued to move upwards in May despite the fact that Northwest Alaskan Pipeline Company announced that construction of the gas pipeline would be delayed until 1986, or some future date. Typically a delay of a project of the gasline's magnitude would create major reverberations throughout a small economy, but this did not occur in Fairbanks. Northwest and its subcontractors cut back their staffs (by approximately 100), but since their physical presence and spending have been minimal, these cutbacks had little immediate effect on the Fairbanks labor market.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK FAIRBANKS

				CHANGES FROM:	
	P/	R/			
	5/82	**4/82**	**5/81**	**4/82**	**5/81**
Nonag. Wage & Salary	22250	21900	21950	350	300
Mining	50	50	50	0	0
Construction	1500	1350	1500	150	0
Manufacturing	500	450	650	50	-150
Trans. Comm. & Util.	2750	2650	2750	100	0
Trucking & Whseing.	400	400	400	0	0
Air Transportation	700	650	700	50	0
Other Trans. Comm. & Utilities	1650	1600	1650	50	0
Trade	4100	4000	4000	100	100
Wholesale Trade	700	700	650	0	50
Retail Trade	3400	3300	3350	100	50
Gen. Merchandise & Apparel	400	350	400	50	0
Food Stores	600	600	600	0	0
Other Retail Trade	2400	2350	2350	50	50
Finance-Ins. & R. Estate	750	750	750	0	0
Services & Misc.	4200	4050	4100	150	100
Government	8400	8600	8150	-200	250
Federal	2300	2250	2300	50	0
State	3450	3700	3550	-250	-100
Local	2650	2650	2300	0	350

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

				CHANGES FROM	
	P/	R			
	5/82	**4/82**	**5/81**	**4/82**	**5/81**
Nonag. Wage & Salary	25650	24950	25350	700	300
Mining	200	200	200	0	0
Construction	1600	1500	1550	100	50
Manufacturing	550	550	800	0	-250
Trans. Comm. & Util.	3600	3400	3600	200	0
Trade	4400	4200	4300	200	100
Finance-Ins. & R. Estate	800	750	800	50	0
Services & Misc.	4500	4300	4400	200	100
Government	10000	10050	9700	-50	300

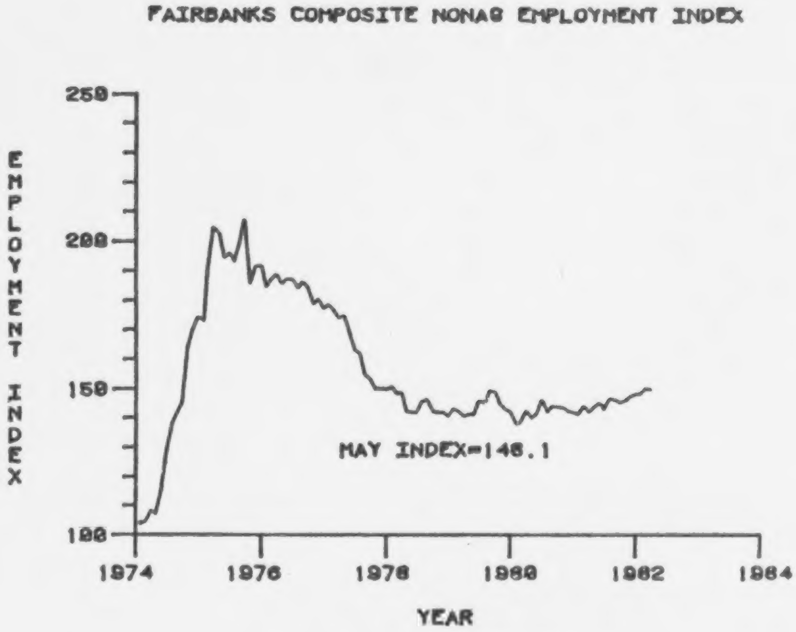
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

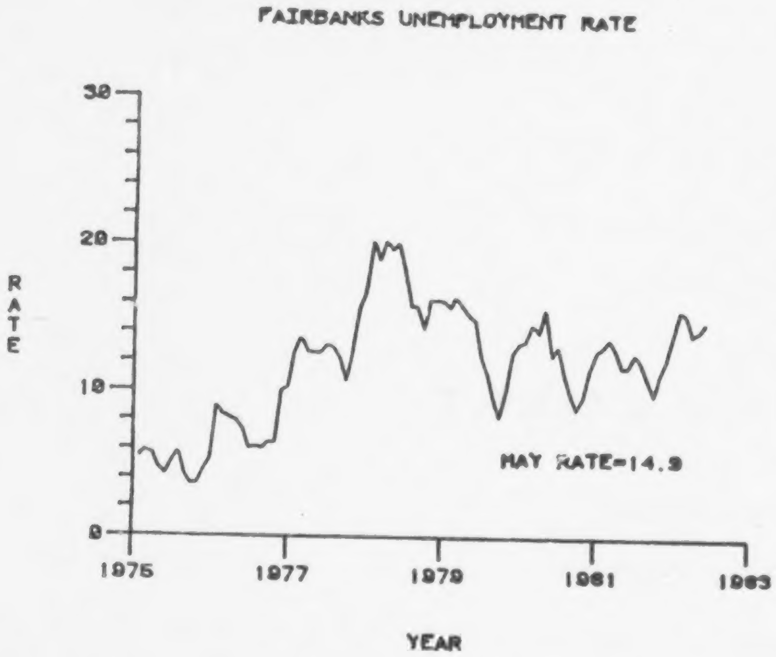
R/ Denotes revised estimates.

Announcement of the postponement apparently has not caught the business community off guard either. The gasline project has already been delayed a number of times and uncertainty has surrounded the project since its inception. For this reason, the business community treated it with caution and did not expand or build up inventories in response to the possibility of the project getting off the ground. Something might also have been learned from the delay in construction of the oil pipeline Many individuals who had speculated on the project had been caught with large inventories. Others that had relied upon the oil pipeline for employment were caught without jobs. This time around, the community was waiting for more concrete steps to be taken on the gasline before they were willing to commit resources. The delay has officially put the gasline project on the economic back burner in Fairbanks. Fairbanks' basic industries, the University of Alaska, the military, and tourism, combined with activity on the North Slope and state and federal spending, will remain major driving forces in the Fairbanks economy.



NONAGRICULTURAL EMPLOYMENT

Fairbanks wage and salary employment grew by 350 in May, largely a result of seasonal growth. Compared to year-ago statistics, 1982 also continues to reflect growth. Half of Fairbanks' industries chalked up employment increases in May. More than half of the industries also indicated over-the-year growth. These increases are being fueled by state expenditures which have found their way into capital projects, the University of Alaska, local and state government, low interest loans, and a variety of nonprofit organizations. These funds are further dispersed providing stimulus to all of Fairbanks' industries. North Slope activity is providing further stimulus to the Fairbanks economy. The military, particularly the Air Force, is also expanding. While military employment is excluded from nonagricultural employment figures it does create a need for additional support personnel, thus providing indirect impetus. The combination of all of the economic forces discussed above is largely responsible for Fairbanks' presently expanding labor market.


FAIRBANKS UNEMPLOYMENT RATE
30
20
10
0
RATE
1975
1977
1979
1981
1983
YEAR
MAY RATE=14.9

GULF COAST

By Neal Fried

LABOR FORCE

Gulf Coast labor force statistics for May finally showed some improvement for the first time this year. As seasonal industries began to gear up for the summer people were returning to work, pushing the unemployment rate downward from 16.4% in April to 13.8% in May. This was experienced throughout the region, from Kenai to Valdez.

NONAGRICULTURAL EMPLOYMENT

Three major industries, trade, manufacturing and construction, were responsible for increased May employment. Trade moved upwards, largely a result of the beginning of the tourist season on the Kenai Peninsula. With the beginning of the halibut and king salmon season, and the warming of the weather, the annual flocks of people from Anchorage began heading southward. The Kenai Peninsula's tourism industry is so closely tied to the Anchorage economy that the Peninsula, if the weather holds, should experience a very good year. Given the present health of the Anchorage economy, Anchorage's growing labor force, and the upcoming distribution of Permanent Fund dividend checks, Anchorage residents will likely be spending more tourist dollars in the local economy than in most past years. Both the trade and service industries will be the major beneficiaries of this anticipated increase in activity.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P	R/		CHANGES FROM:	
	5/82	4/82	5/81	4/82	5/81
Nonag. Wage & Salary	16500	15400	17000	1100	-500
Mining	850	850	1100	0	-250
Construction	1000	800	900	200	100
Manufacturing	2900	2300	3500	600	-600
Food & Kindred Prod.	2100	1500	2600	600	-500
All Other Mfg.	800	800	900	0	-100
Trans. Comm. & Util.	1650	1650	1700	0	-50
Trade	2500	2300	2350	200	150
Wholesale Trade	450	400	400	50	50
Retail Trade	2050	1900	1950	150	100
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2600	2500	2500	100	100
Government	4550	4550	4500	0	50
Federal	500	500	500	0	0
State	1400	1400	1400	0	0
Local	2650	2650	2600	0	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Manufacturing, more specifically seafood processing, got its first boost this year with the herring season and the beginning of the halibut season. Employment in this industry is expected to grow more dramatically in the upcoming months with the salmon season. Thus far, 1982's employment has remained below year-ago levels. With the botulism cases and the large inventories of canned salmon, the remainder of the season is cloudy at best. Salmon runs are predicted to be good, and the processors' product mix is expected to change with more fish being fresh-frozen and less being canned. With these mixed ingredients, it is difficult to predict what will happen to industry employment until the season gets into full swing.

The other major industry that contributed to the region's growth in May was construction. Housing starts are remaining at, or slightly below, year-ago levels. The only large planned private sector project in the Gulf Coast region is the construction of the $3 million Safeway in Soldotna. On the other hand, it will be a very busy year for public sector capital projects. Local governments within the region (Seward, Kenai, Soldotna, Cordova, Homer, Kodiak and Valdez) are all predicting a busy year. In many cases a record year for public work projects is planned. Projects range from schools to dams, and from highways to sport centers.

SUMMER CONSTRUCTION PROJECTS

Soldotna's largest project this season (which began in May) is construction of the $6 million Central Peninsula Sports Center. The City of Kenai is spending most of its capital budget on road construction (approximately $4.4 million.) Homer and Cordova are concentrating on dock construction along with a long list of other projects. Valdez is completing work on dock construction and has just begun construction of a $9.0 million grain elevator to store grains grown in Delta. Seward is continuing to work on its $12 million Marine Industrial Center. Building is also underway in Seward on a small hydroelectric dam which will supply the local hospital with most of its power needs. This project is slated to be completed in the fall. In Kodiak, the state has just awarded the contract to build the $128 million Terror Lake dam which will be completed in 1984. The work force on this project is expected to peak at 400. The Kenai Peninsula Borough's attention is being given to the construction of a new $3.5 million elementary school along with the expansion of 3 other schools. These are only a few of a long list of capital improvements the communities and the state are undertaking this season in the Gulf Coast.

SOUTHEAST ALASKA

By Debbie Berggren

NONAGRICULTURAL EMPLOYMENT AND LABOR FORCE

Nonagricultural wage and salary employment increased 2% to 27,600 in May. The unemployment picture continued to improve during May, dropping 1.2 percentage points to 9.8%, the same as last May.

Construction employment continued to expand, increasing 17% during May to 1,350. This was about 23% above last year. All sectors of construction exhibited monthly employment increases and were above last year. Building construction has shown the greatest increase, increasing 22% over the month and 36% over the year. During May, highway and special trades employment increased 14% and 8%, respectively. Over the year, they increased 4% and 18%, respectively.

Employment in the manufacturing industry increased 3% in May to 3,500. Seafood processing remained at April's level of 800 jobs. Increased logging activity accounted for the 4% increase in lumber and paper products employment. Sawmill and pulpmill employment experienced decreases of 5% and 1%, respectively. As a whole, lumber and paper products employment was 23% below last May. Nearly three-fourths of this decline was in logging employment.

Trade employment increased 5% during May and was 9% above last year. This trend was similar to trade employment statewide, which increased 4% during the month and 9% over the year. Nearly two-thirds of the monthly increase in Southeast trade employment was in eating and drinking establishments. Eating and drinking establishment employment increased 10% during the month to 23% above last year. Wholesale trade remained stable, over both the month and year.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK SOUTHEAST ALASKA

	P/	R/		CHANGES FROM:	
	5/82	**4/82**	**5/81**	**4/82**	**5/81**
Nonag. Wage & Salary	27600	27050	27400	550	200
Construction	1350	1150	1100	200	250
Manufacturing	3500	3400	4450	100	-950
Food & Kindred Prod.	800	800	1000	0	-200
Lumber & Paper Prod.	2450	2350	3200	100	-750
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Util.	2550	2450	2500	100	50
Trade	4100	3900	3750	200	350
Wholesale Trade	350	350	350	0	0
Retail Trade	3750	3550	3400	200	350
Finance-Ins. & R. Estate	1050	1050	1100	0	-50
Mining, Services & Misc.	3700	3600	3500	100	200
Government	11350	11500	11000	-150	350
Federal	2100	2100	2200	0	-100
State	5250	5350	4950	-100	300
Local	4000	4050	3850	-50	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Transportation increased by 100 jobs. All sectors of transportation, except public warehousing, showed employment increases. Water transportation experienced the largest gain, increasing 9% over April.

Mining, services and miscellaneous experienced an increase of about 100 jobs during May. Hotels and motels hired approximately 70 workers as they started getting ready for the tourist season. Private schools was the only sector which had an employment decrease over April. All sectors were above the year-ago level.

Government employment decreased 1.3% during May. Federal government remained stable, while state and local governments experienced decreases. Overall, state government dropped by 100 jobs. State education employment dropped by approximately 150 jobs, while noneducation employment increased by 50. State education employment decreased due to the end of the spring semester.

Despite the 21% decline in manufacturing employment over the year, total nonagricultural wage and salary employment was almost 1% above last year. Increases in all other industries except for finance, insurance and real estate and federal government, offset the decline in manufacturing employment.

HOURS AND EARNINGS IN APRIL

By Su Hendrix

There were no unexpected or dramatic changes in average hourly earnings or average weekly hours in April. With the exception of retail trade, hours and earnings remained very stable in all but the extremely seasonal industries. There was a 4% increase in average weekly hours in the retail trade industry primarily due to longer hours in the automotive dealers and gasoline service stations sector. This sector is not usually considered 'seasonal,' but service stations typically do more work when the weather is changing. This can affect work hours in either direction, depending upon whether or not extra or temporary employees are hired to help with the additional workload.

Contract construction exhibited a 4% increase in average hourly earnings. Though the average weekly hours showed little change, this upturn in earnings was due to more firms in all sectors paying higher and/or overtime wages. This industry's employment rose by 1,600 in April, reflecting the beginning of the busy summer season.

The food processing sector of the manufacturing industry showed a longer work week in April. Average weekly hours rose 10%, due to a reduction in temporary and/or part-time workers. This appears to be a result of the build-up of March's employment in anticipation of a bigger, earlier season than actually took place.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 4/82	r/ 3/82	4/81	p/ 4/82	r/ 3/82	4/81	p/ 4/82	r/ 3/82	4/81
MINING	$21.12	$20.83	$20.74	52.5	51.0	51.3	$1108.80	$1062.33	$1063.96
CONTRACT CONST.3/	23.05	21.96	20.69	46.6	47.3	48.2	1074.13	1038.71	997.26
MANUFACTURING	13.20	12.93	11.41	36.0	35.1	40.2	475.20	453.84	458.68
Food & Kindred Prod.	8.50	8.63	8.31	31.1	28.3	40.7	264.35	244.23	338.22
Lumber & Paper Prod.	15.36	15.51	14.09	38.1	41.4	39.4	585.22	642.11	555.15
TRANS., COMM. & UTIL.	14.85	15.05	14.08	36.0	36.6	38.6	534.60	550.83	543.49
TRADE	9.59	9.61	9.54	34.2	33.3	34.1	327.98	320.01	325.31
Wholesale Trade	11.31	11.24	11.70	37.4	37.3	37.4	422.99	419.25	437.58
Retail Trade	8.80	8.85	8.67	32.9	31.7	32.9	289.52	280.55	285.24
FINANCE, INS. & R.E.	--	--	--	--	--	--	336.79	328.23	312.86

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	R/		CHANGES FROM:	
	5/82	4/82	5/81	4/82	5/81
Nonag. Wage & Salary......	93200	90400	86450	2800	6750
Mining	3600	3550	3300	50	300
Construction	8400	7050	6350	1350	2050
Manufacturing	2100	1850	2050	250	50
Trans. Comm. & Util.	9250	8950	8750	300	500
Trade	19800	19200	18200	600	1600
Finance-Ins. & R. Estate ..	6100	5950	5800	150	300
Services & Misc.	18750	18450	17600	300	1150
Government	25200	25400	24400	-200	800

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/	R/		CHANGES FROM:	
	5/82	4/82	5/81	4/82	5/81
Nonag. Wage & Salary......	89650	86800	82850	2850	6800
Mining	3500	3450	3250	50	250
Construction	8100	6800	6100	1300	2000
Manufacturing	2000	1800	1950	200	50
Food & Kindred Prod.	300	300	350	0	-50
Other Mfg.	1700	1500	1600	200	100
Trans. Comm. & Util.	9000	8650	8400	350	600
Trucking & Whseing.	1150	1050	1050	100	100
Water Transportation	450	400	450	50	0
Air Transportation	3450	3350	3250	100	200
Other Transportation Comm. & Utilities	3950	3850	3650	100	300
Trade	19100	18450	17400	650	1700
Wholesale Trade	4600	4500	4200	100	400
Retail Trade	14500	13950	13200	550	1300
Gen. Merchandise	1850	1800	1750	50	100
Food Stores	2250	2200	1950	50	300
Eating & Drinking Places	5050	4850	4500	200	550
Other Retail Trade	5350	5100	5000	250	350
Finance-Ins. & R. Estate ..	6050	5900	5650	150	400
Services & Misc.	18250	17950	17250	300	1000
Government	23650	23800	22850	-150	800
Federal	9800	9550	9450	250	350
State	5800	6200	5450	-400	350
Local	8050	8050	7950	0	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

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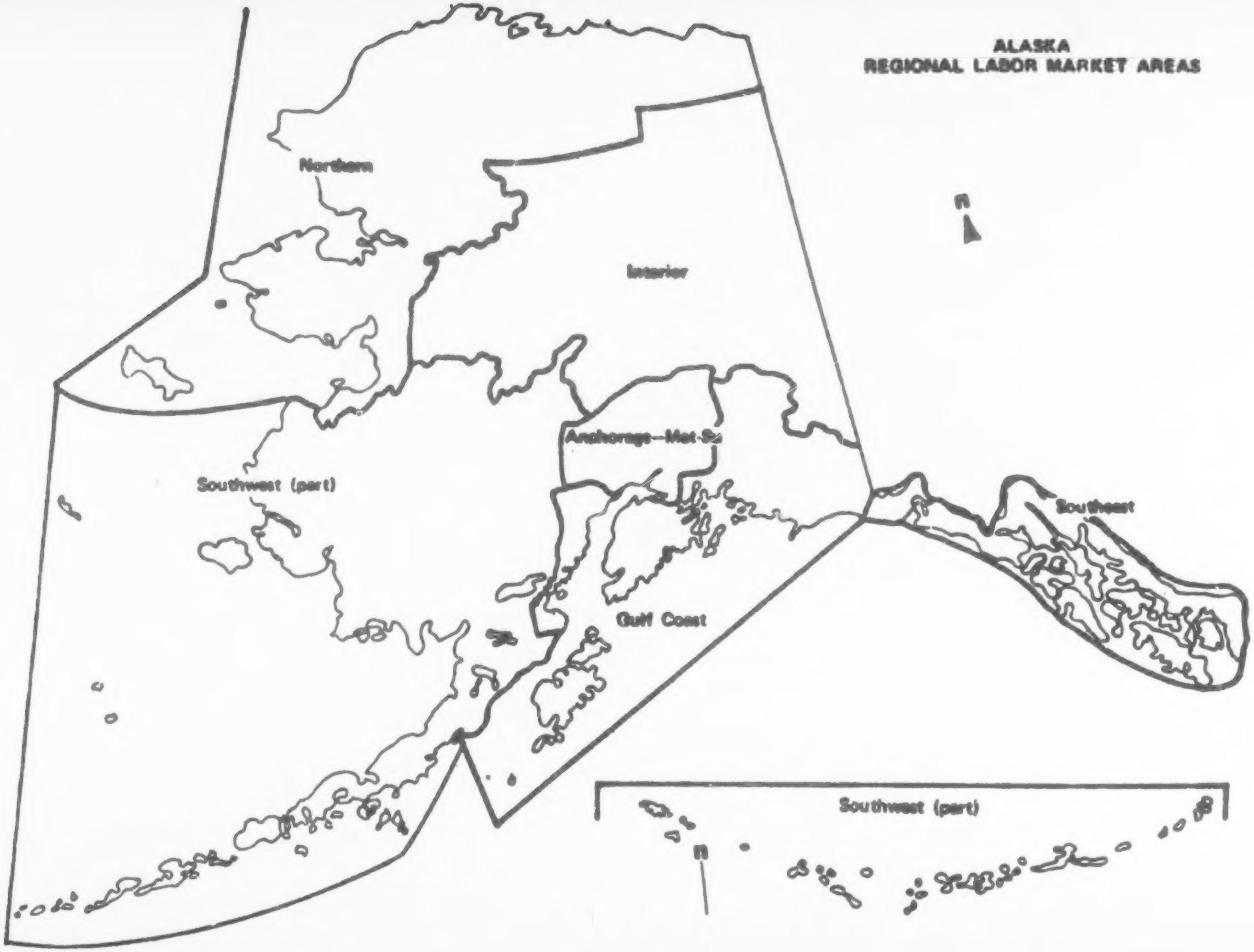

ALASKA
REGIONAL LABOR MARKET AREAS

N
Northern
Interior
Anchorage--Mat-Su
Southwest (part)
Gulf Coast
Southeast
Southwest (part)
N

ALASKA ECONOMIC TRENDS

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EMPLOYMENT OPPORTUNITIES IN CREDIT INSTITUTIONS

By Neal Fried and Greg Huff

INTRODUCTION

When B.M. Behrends Bank opened its doors in Juneau in 1891 to serve the gold miners, employment opportunities were created in a new industry in Alaska. Since then the number of banks and closely related credit institutions which include savings and loans (S&L's) and credit unions has grown dramatically. Presently there are 14 different banks, 26 credit unions and 4 S&L's throughout the state. Their assets range from $160,687 to $758,286,000, and employment ranges from 1 to 2 employees to 900. In terms of employment and assets banks are the largest, followed by credit unions and S&L's, respectively.

During the past decade, employment in this industry grew by 115% compared to overall Alaska employment growth of 84%. There are approximately 3,700 people working in the industry statewide at present. It is a small industry, responsible for 2.1% of Alaska employment. Though Alaska is a young, developing state the ratio of banking jobs to total nonagricultural employment is almost identical to the nationwide ratio (2.1% versus 2.2%). Seventy percent of the 3,700 people working in this industry in Alaska are employed in Anchorage, 10% are in Fairbanks, and the remaining 20% are scattered throughout the state. Anchorage, often dubbed the financial capital of the state, is the headquarters for most of the state's banks. Of the 44 banks, credit unions, S&Ls in Alaska, 23 are headquartered in Anchorage. Though industry employment is concentrated in Anchorage, opportunities to work in the industry exist throughout the state. Branches serve a number of Alaska's smaller communities and provide employment opportunities. If a person wishes to pursue a career in the industry with the best opportunities for advancement, it would be necessary to locate near a full service institution.

The credit world, once an industry plagued with a staid, conservative and less-than-dynamic image, has changed and will change even more rapidly as competition from nonfinancial institutions increases and regulations are updated or eliminated.

WHO WORKS IN CREDIT INSTITUTIONS?

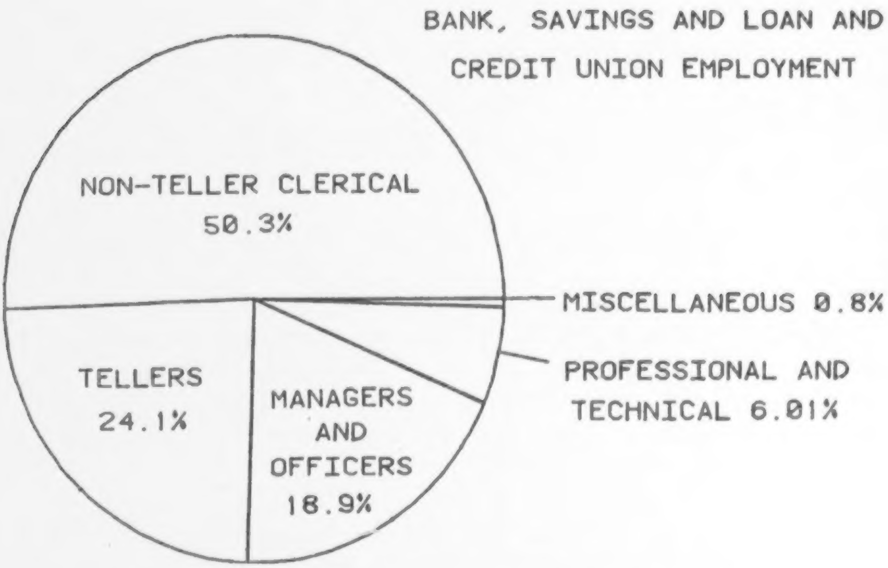
Credit institutions offer a variety of services which utilize specialized techniques and equipment, some unique to the industry. Consequently credit institutions offer a range of career opportunities. Opportunities vary according to the type and size of the institution. Larger banks have a more specialized work force while at a smaller institution a person may have myriad responsibilities. Occupational mix also varies among the different types of institutions because of the varying services provided by each.

The majority of jobs in banks, credit unions, and savings and loans are clerical. The Alaska Department of Labor, in a 1978 survey, found that three-quarters of the jobs in this industry were clerical. Some occupations represented in this category are, tellers (who comprise over 24% of the total industry work force), keypunch and proof machine operators, bookkeepers, credit clerks, secretaries and clerical supervisors. Managers and officers (from presidents to junior officers), professional and technical staff (computer programmers, etc.) and miscellaneous occupations make up the remaining work force (See Graph).

JOB OPPORTUNITIES

Job opportunities are determined by the interaction of the supply of skilled or unskilled workers and the demand by the credit institutions for those workers. Factors influencing supply and demand are economic conditions of the state, technological changes, pay and working conditions.

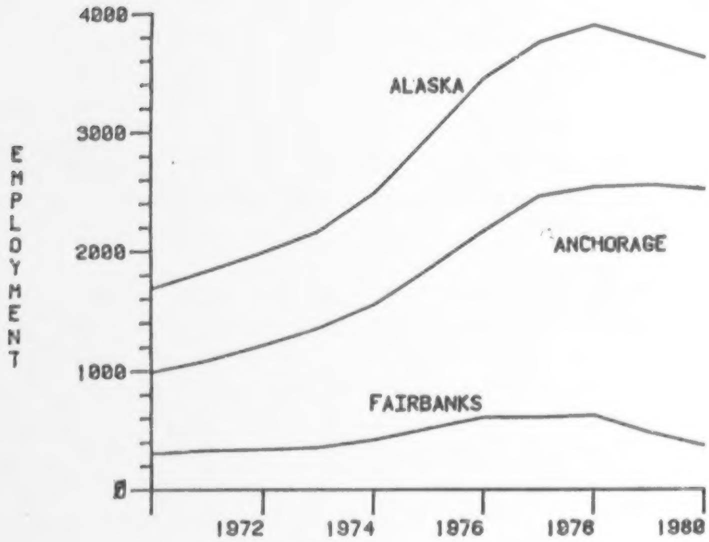
Despite the relatively small numbers of jobs in this industry, employment opportunities are good due to growth and replacement needs. Replacement needs due to turnover supply the bulk of job opportunities in banks and other credit institutions. Turnover varies from occupation to occupation but is greater in the clerical occupations than among the remaining



BANK, SAVINGS AND LOAN AND CREDIT UNION EMPLOYMENT

BANK, SAVINGS AND LOAN AND

CREDIT UNION EMPLOYMENT



work force. Workers leave for higher wages, a change of working environment or promotion. High turnover among the clerical staff can be attributed to low wages and good opportunities for movement from job to job within or out of the credit industry. High turnover for clerical occupations is not limited to the credit industry and is common throughout the economy. (For more detail on wage and salaries refer to Alaska Department of Labor Wage Rates for Selected Occupations). Turnover in Alaskan banks and other credit agencies ranges from 70% to 100% annually compared to the industry turnover rate in the "Lower 48" of 30% to 40%. This does not mean that on average the industry must replace most or all of their personnel each year, but rather turnover is equivalant to 70% to 100% of their work force. Alaska's higher turnover rate stems from its highly mobile and transient work force.

Following is a discussion of job opportunities for the three main occupational categories in the industry, clerical, officers and managers, and professionals and technicians.

CLERICAL OCCUPATIONS

All organizations need clerks to handle paperwork but because of the specialized nature of banking some clerical duties and titles in credit institutions differ from those in other businesses. Specialized duties unique to the industry have titles such as teller, loan clerk or proof operator. Similar positions include file clerk, typist, keypunch operator, secretary, and receptionist. Although bookkeepers are found in many other businesses, some terminology, techniques, and equipment are unique to the credit industry.

The titles of positions in the industry generally reflect the kinds of duties and responsibilities the job entails. The larger the organization the more specific the title. A general teller's responsibility is to receive and pay out money while a note teller receives loan payments and maintains custody of securities. A new accounts teller assists customers in opening new savings and checking accounts. Loan clerks also have a variety of titles such as a loan processor or closer. The processor's duties include processing applications for loans and obtaining personal and financial data about the applicant while a closer draws up closing papers that finalize financial transactions. Proof operators operate a special machine which sorts, records and proves records of bank transactions (checks and deposit slips) and magnetically encodes identification symbols on those records. An accounting clerk may perform any combination of routine calculations, specific to their title; for example an accounts payable or receivable clerk would post and verify deposits.

Job opportunities at present are good and are expected to be good in the future due to anticipated growth in the industry and continued high replacement needs. Industry officials say they usually have no trouble finding needed personnel and that job opportunities are good due to high turnover. Experienced loan processors and closers were an exception to this but with the current recession in the "Lower 48", the labor pool of experienced personnel has expanded making it easier for banks to obtain qualified people. Tellers and keypunch operators have among the highest turnover rates and as one industry official put it "we always have a demand for tellers." Contributing to the turnover for keypunch operators are the evening work hours. To help alleviate some of this turnover banks are turning to job sharing and flexible work hours.

Promotional opportunities are moderately good and depend upon the worker's performance, qualifications, motivation and available openings. For example, a general teller may be promoted to a note or new accounts teller. A clerk may be advanced to a clerical supervisor or eventually to senior supervisor. Advancement to an officer position is possible for outstanding clerks who have college training or have taken specialized courses in banking. Promotion comes from within an organization and new inexperienced hires fill the entry level positions.

OFFICERS AND MANAGERS/PROFESSIONALS AND TECHNICIANS

Because the credit industry offers an array of services, a wide choice of specialized careers is available. However, position duties vary according to the size and type of institution. Occupations for officers and managers include the president who directs operation, the vice-president who acts as general manager or is in charge of a department such as trust or credit, the controller who heads the accounting section, the cashier who directs financial transactions of the institution and oversees operational procedures, and the branch manager who oversees operations of branch offices. Large organizations may also have senior and junior officers who supervise various sections within different departments. These officers may handle installment, commercial or real estate loans and would be titled loan officer. They may conduct financial planning and investments for trust administration and be called trust officer. Other career fields for officers include auditing, personnel administration, public relations and marketing.

The present job outlook is positive and with expected industry growth and continued replacement needs, the future outlook is also good. However, due to turnover rates of 10% to 20%, job openings are not as frequent as with clerical positions. Industry officials indicated that presently they have no major problems finding qualified personnel, but at times there is difficulty. However, the present recesssion in the rest of the country has increased the pool of qualified and available workers. Many of the institutions mentioned have been "stealing" hard-to-find or experienced personnel from other institutions while others have a policy to not accept applications from personnel of other in-state institutions unless they have already quit. In this case credit institutions have to go outside Alaska to obtain personnel with the needed skills.

Advancement depends on experience, ability, leadership, additional education and vacant positions. Advancement may come slowly because of the limited number of positions, particularly for senior officer positions. Managers and officers move up the career ladder internally or may go to other institutions when roadblocks prevent advancement. Opportunities also arise in other industries which need personnel with banking experience.

The professional and technical staff includes EDP (Electronic Data Processing) auditors or system analysts and computer programmers. EDP auditors analyze procedures and data used in the industry which can be converted into a programmable form to be run by computers. EDP auditors also analyze programs to insure proper and efficient processing of data. Computer programmers are responsible for the design of the programs needed to process data. The industry generally reports some difficulty in locating experienced people in Alaska and many times has to go out of state. Advancement possibilities are narrow but are not limited to the industry.

EDUCATION AND TRAINING

Formal training, a high school diploma or a college degree are not always necessary to land a job in a bank. It is not unusual, particularly in smaller banks, to run into a vice-president who does not have a college degree. In these cases, the individual often started out as a teller and worked their way to the top. However, today if a person is interested in advancement from an entry level, nonprofessional status, to the professional or management ranks, it will be very difficult without some formal training and education. For a person with no industry experience who wishes to launch a career in a managerial or professional rank, a college degree in business, accounting, data processing or economics is a must.

On-the-job training is the most prevalent way people acquire the skills they need for the particular job they perform in the industry. Tellers, for example, will usually go through a formal period of training before they are given full responsibility. Some banks have specific management trainee programs. For a management trainee, the bank can either select promising individuals from within the organization or recruit college graduates for the program. Management trainee programs vary in time and scope from bank to bank. A typical program will last from 9 to 14 months. The trainee is introduced to many operational aspects of banking and often when the formal training is over the trainee may become a junior lending officer. In 3 to 5 years they could become a branch manager. A few trainees are introduced to the financial aspects of banking which eventually could lead to an officer position in a specific department involved with portfolio analysis, or commercial loans, etc.

The industry likes to promote from within and therefore a person who shows initiative generally has good opportunities for advancement. Part of showing this initiative is acquiring the right training and education. The industry offers a variety of courses through the American Institute of Banking. These courses are tailored for the industry and are usually only available to people already working in the industry. In some exceptions these courses are taught in conjunction with the local community college or university. These courses are given in classroom settings, correspondence courses and closed circuit TV which makes many of the courses available in rural areas. Special in-house seminars are also held periodically. The Cook Inlet Native Association (CINA) has a teller trainee program in which the teller trainee goes through 1 to 2 months of classroom training and then 1 month on-the-job training at a bank. When the training period is completed, CINA then finds them employment in a bank. High school, community college and university courses in any of the clerical fields, data processing, accounting and business will help to crack open the door to employment and advancement. Most banks will pay for their employee's tuition, as long as the courses are job-related or are necessary to complete a degree that can be applied to the needs of the industry.

FUTURE TRENDS

The industry is presently going through a period of flux which may affect future personnel demands. This change is occurring because of changing technology, changing regulations, and increased competition within the industry and from nonfinancial institutions. Téchnological changes are coming largely from the increasing use of computers. This means more employees in the industry, from teller to manager, have to become more familiar and comfortable with computer use. They do not have to become computer operators or programmers but they do have to become more familiar with the lingo used, the information computers can provide, and how to use it. Any technical training in this area will be extremely helpful and will eventually be a prerequisite to landing a job in the industry.

Competition is becoming increasingly fierce from nonfinancial institutions, such as Sears and Merrill Lynch. Federal regulations are being lifted or changed in many areas of the industry which will allow banks, credit unions, and savings and loans to compete against each other more than they have been able to in the past. Prior to this increased competition banks were virtually guaranteed a profit. To meet this competition, marketing will become an extremely important area. These institutions will have to spend more time assessing new trends and products. This means they will have to spend more time selling themselves which will require new skills. The introduction of interstate banking will quicken this trend. Expertise from large outside banks may cause new technology to be introduced more rapidly and competition will be heightened.

The staid and conservative image of this industry is being shed quickly, as it increasingly resembles other competitive industries in the economy.

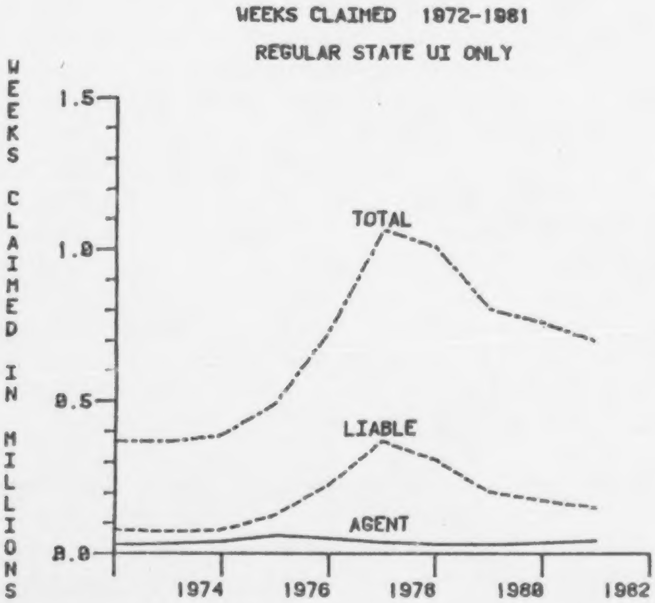
IN-MIGRATION OF UNEMPLOYED CLAIMANTS ON THE RISE

By Scott Hannigan

Interstate agent and interstate liable claims represent a significant proportion of all unemployment insurance (UI) claims processed in Alaska. Interstate agent claims are UI claims filed in Alaska by unemployed workers who earned their wages in another state. Alaska's UI offices act as the "agent" for these workers by accepting their initial request for UI payments and transmitting those requests to the claimants' former state of employment. Interstate liable claims are UI claims filed outside Alaska by claimants who earned wages in Alaska. Since the wages were earned in Alaska, the state is "liable" for payment of the UI claim. All states have an agreement to exchange requests for unemployment insurance with the original state of employment allowing unemployed workers the mobility to search for jobs across state lines.

The number of interstate claimants is indicative of the size of the mobile workforce that migrates in and out of Alaska on a seasonal basis and during periods of rapid economic growth (as witnessed during construction of the Trans-Alaska oil pipeline). In fact it is possible, to a certain extent, to plot the rise and fall of Alaska's economy over the years by tracing the counter-prevailing trend of agent and liable claims;agent claims on the upside and liable claims on the downside.

Agent weeks claimed in 1972 equaled approximately 8% of all weeks claimed in Alaska and increased steadily each year through 1975 (one year prior to maximum construction activity on the pipeline) to reach a peak of 12% of all weeks claimed. Liable weeks claimed averaged 20% from 1972 to 1974, climbed to 26% in 1975, and reached a maximum of 35% of all weeks claimed in 1977. During the peak year for agent claims (1975), approximately 37% of all weeks claimed in the Fairbanks area were agent claims. Anchorage recorded about 19% and the rest of Alaska's UI offices from 5% to 17%. Agent claims declined from their high of 12% in 1975 to a low of 3% in 1978. Liable claims have continuously declined every year from a high of 35% in 1977 to 22% in 1981. Agent claims, however, are now on the rise again. From a low of 3% of all weeks claimed in 1978, agent claims increased to 6% of all weeks claimed in 1981. Preliminary data for the first quarter of 1982 indicate that the trend is continuing. (See Page 12).



Since there are no definite or concrete plans for a major construction project in Alaska in the near future, the impetus for the current influx of out-of-state workers appears to be founded on a combination of intangible or immeasurable factors. Some of these factors include the declining economy in the rest of the nation, anticipation of the construction of the recently postponed gas pipeline, the lure of "high paying" jobs, and Alaska's image as the "*Last Frontier.*" If the pattern of Alaska's UI claims activities of the past holds, then no doubt the current increase in agent claims will result in a rise of liable claims in the future.

ALASKA

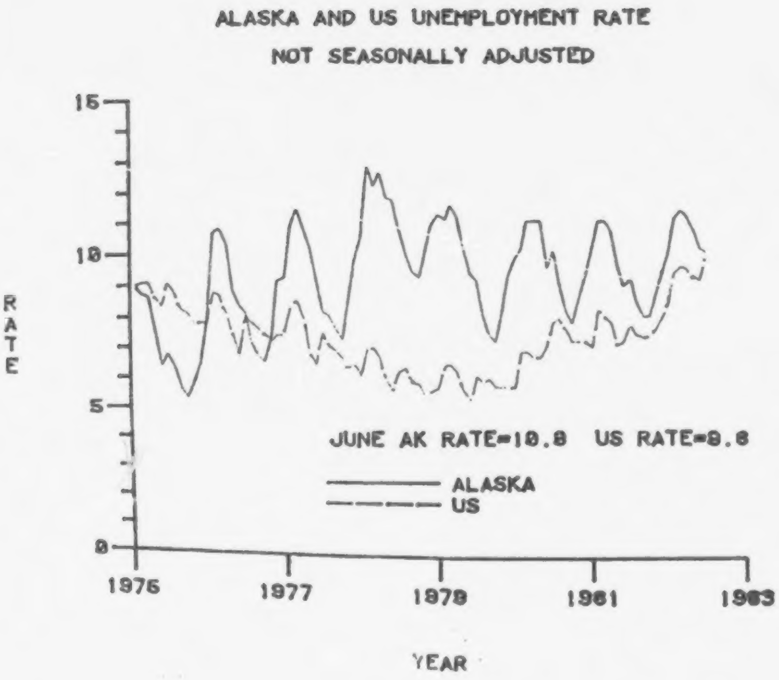
By Brit Harvey

UNEMPLOYMENT

The June unemployment rate for Alaska was 10.0%. Nearly 21,000 people who actively sought work did not work during June. The Alaska unemployment rate is not seasonally adjusted. The commonly reported United States unemployment rate is seasonally adjusted, and is not directly comparable to the Alaska rate. The not seasonally adjusted national unemployment rate for June was 9.8%.

Despite 4% annual growth in nonagricultural employment, Alaska's unemployment rate was nearly a full percentage point higher this June than a year ago. The number of unemployed increased during the period by almost 2,500. Why is Alaska's unemployment rate increasing despite economic expansion?

It is commonly assumed that in-migration of job seekers to the state is the main factor. Strong statistical evidence supports this assumption. Unemployment claims filed in Alaska against other states are referred to as interstate agent claims. (See Page 10). Agent claims are a measure of unemployed in-migrants who qualify for unemployment insurance and have filed for benefits. Agent claims were up in May over last year by 33%, and in June by 26%. Agent claims from Washington and Oregon, both hard hit by the national recession, were up in June by 39% over last year. Unemployment insurance data clearly reveal an influx of job seekers to Alaska.



Many unemployed persons are not included in unemployment insurance data. Unemployed persons who do not qualify for benefits or who have exhausted their benefits are more difficult to account for statistically. The only information available concerning unemployed persons outside the unemployment insurance system comes from a monthly household survey conducted for the Bureau of Labor Statistics, U.S. Department of Labor. This survey data, along with unemployment insurance data, are used to estimate Alaska's unemployment. Recent survey data suggest an increase in in-migrant unemployed, although the data do not necessarily prove this to be the case.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

				CHANGES FROM:	
	P/	R/			
	6/82	**5/82**	**6/81**	**5/82**	**6/81**
Nonag. Wage & Salary	192100	185400	184700	6700	7400
Mining	8600	8000	8200	600	400
Construction	16100	14000	12900	2100	3200
Manufacturing	12200	10400	15300	1800	-3100
Food & Kindred Prod.	5700	4200	8400	1500	-2700
Lumber & Paper Prod.	3200	3100	3700	100	-500
All Other Mfg.	3300	3100	3200	200	100
Trans. Comm. & Util.	19100	18200	19000	900	100
Trucking & Whseing.	2300	2200	2200	100	100
Water Transportation	1200	1300	1600	-100	-400
Air Transportation	5800	5500	6100	300	-300
Other Transportation Comm. & Utilities	9800	9200	9100	600	700
Trade	33400	32500	31800	900	1600
Wholesale Trade	6700	6500	6100	200	600
Retail Trade	26700	26000	25700	700	1000
Gen. Merchandise & Apparel	4000	4000	4400	0	-400
Food Stores	4700	4600	4400	100	300
Eating & Drinking Places	9800	9400	8900	400	900
Other Retail Trade	8200	8000	8000	200	200
Finance-Ins. & R. Estate	9300	9200	8700	100	600
Services & Misc.	33900	32600	32200	1300	1700
Government	59500	60500	56600	-1000	2900
Federal Government	18600	17700	17900	900	700
State Government	17900	17100	16400	800	1500
Local Government	23000	25700	22300	-2700	700

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

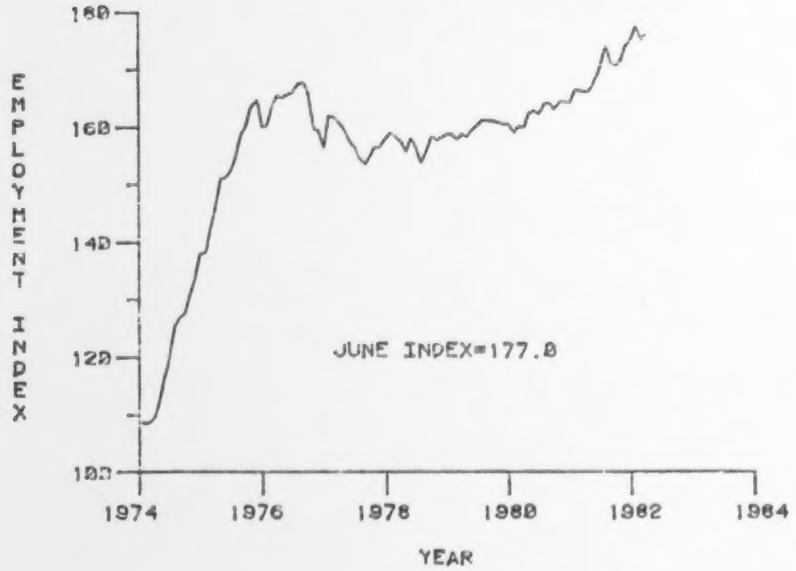
P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

ALASKA'S TWO ECONOMIES

The growing economic divergence between Anchorage and the rest of Alaska has become so extreme as to suggest the existence of two entirely different economies. A look at nonagricultural employment and labor force data shows that Alaska's economic expansion is more specifically Anchorage economic expansion. The rest of the state is stagnating economically.

Alaska's June unemployment rate of 10.0% breaks down into an Anchorage unemployment rate of 7.6% and a balance-of-state rate of 12.1%. The May balance-of-state rate was also 12.1%, which would have ranked fourth among states. The May Anchorage rate of 7.7% would have ranked 33rd among states. Alaska's 4.0% annual nonagricultural employment growth in June disaggregates to an 8.0% advance in Anchorage, and a 0.5% gain elsewhere. The Anchorage and Fairbanks composite nonagricultural employment indexes show that employment has grown nearly twice as fast in Anchorage as in Fairbanks since 1972. The forces creating the dichotomy between Anchorage and the rest of the state show no signs of abating.



ALASKA COMPOSITE NONAG EMPLOYMENT INDEX

NONAGRICULTURAL EMPLOYMENT

Alaska nonagricultural wage and salary employment in June was 192,100, or 4.0% higher than a year ago. The monthly increase was 3.6%, or 0.6% seasonally adjusted.

There was very little change from previous months at the industry level, as the prevailing trends in employment continued. Seafood processing and forest products employment remained depressed. Construction continued to lead employment gains.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	*R*		*P*	*R*		*P*	*R*		*P*	*R*	
	6/82	5/82	6/81	6/82	5/82	6/81	6/82	5/82	6/81	6/82	5/82	6/81
Alaska Statewide	207991	202014	199279	20840	20448	18364	10.0	10.1	9.2	187151	181566	180915
Anch.-MatSu Region.....	105826	102025	98010	8659	8356	7429	8.2	8.2	7.6	97167	93669	90581
Anchorage.............	95420	92127	88372	7258	7139	6185	7.6	7.7	7.0	88162	84988	82187
Matanuska-Susitna	10406	9898	9638	1401	1217	1244	13.5	12.3	12.9	9005	8681	8394
Gulf Coast Region	23394	22828	23471	3058	3138	2483	13.1	13.7	10.6	20336	19690	20988
Cordova	1170	1163	1208	81	109	85	6.9	9.4	7.0	1089	1054	1123
Kenai	12212	11790	12088	1850	1757	1394	15.1	14.9	11.5	10362	10033	10694
Kodiak	5281	5160	5324	637	664	532	12.1	12.9	10.0	4644	4496	4792
Seward	1615	1622	1681	165	218	184	10.2	13.4	10.9	1450	1404	1497
Valdez	3116	3093	3170	325	390	288	10.4	12.6	9.1	2791	2703	2882
Interior Region	27130	26619	26237	3942	3910	3312	14.5	14.7	12.6	23188	22709	22925
Fairbanks	22224	21773	21398	3324	3264	2712	15.0	15.0	12.7	18900	18509	18686
Southeast Fairbanks...	2152	2122	2081	256	265	207	11.9	12.5	9.9	1896	1857	1874
Upper Yukon	667	646	654	102	92	95	15.3	14.2	14.5	565	554	559
Yukon-Koyukuk........	2087	2078	2104	260	289	298	12.5	13.9	14.2	1827	1789	1806
Northern Region	9321	9216	9074	839	709	1062	9.0	7.7	11.7	8482	8507	8012
Barrow-North Slope ...	2478	2435	2410	190	140	249	7.7	5.7	10.3	2288	2295	2161
Kobuk..................	2938	2907	2890	306	267	404	10.4	9.2	14.0	2632	2640	2486
Nome	3905	3874	3774	343	302	409	8.8	7.8	10.8	3562	3572	3365

Southeast Region	31163	30178	31002	2997	2980	2908	9.6	9.9	9.4	28166	27198	28094
Angoon	449	407	456	76	47	84	16.9	11.5	18.4	373	360	372
Haines	1092	1046	1046	142	128	98	13.0	12.2	9.4	950	918	948
Juneau	11053	10748	10980	829	875	782	7.5	8.1	7.1	10224	9873	10198
Ketchikan	6561	6375	6577	636	654	667	9.7	10.3	10.1	5925	5721	5910
Outer Ketchikan	838	851	855	140	177	159	16.7	20.8	18.6	698	674	696
Prince of Wales	1446	1391	1504	143	133	204	9.9	9.6	13.6	1303	1258	1300
Sitka	4671	4452	4484	540	463	364	11.6	10.4	8.1	4131	3989	4120
Skagway	1509	1476	1518	131	146	144	8.7	9.9	9.5	1378	1330	1374
Wrangell-Petersburg	3544	3432	3582	360	357	406	10.2	10.4	11.3	3184	3075	3176
Southwest Region	11157	11148	11485	1345	1355	1170	12.1	12.2	10.2	9812	9793	10315
Aleutian Islands	2841	2844	2999	173	181	194	6.1	6.4	6.5	2668	2663	2805
Bethel	3649	3623	3784	528	508	503	14.5	14.0	13.3	3121	3115	3281
Bristol Bay Borough	394	402	399	42	51	29	10.7	12.7	7.3	352	351	370
Bristol Bay	1437	1451	1494	110	136	109	8.3	9.4	7.3	1318	1315	1385
Kuskokwim	1033	1025	1041	182	176	146	17.6	17.2	14.0	851	849	895
Wade Hampton	1803	1803	1768	301	303	189	16.7	16.8	10.7	1502	1500	1579

P/=Preliminary   1981 Benchmark

R/=Revised (Due to technical revision these rates supercede those contained in the news release, June 18, 1982).

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

ANCHORAGE/MATSU

By Greg Huff

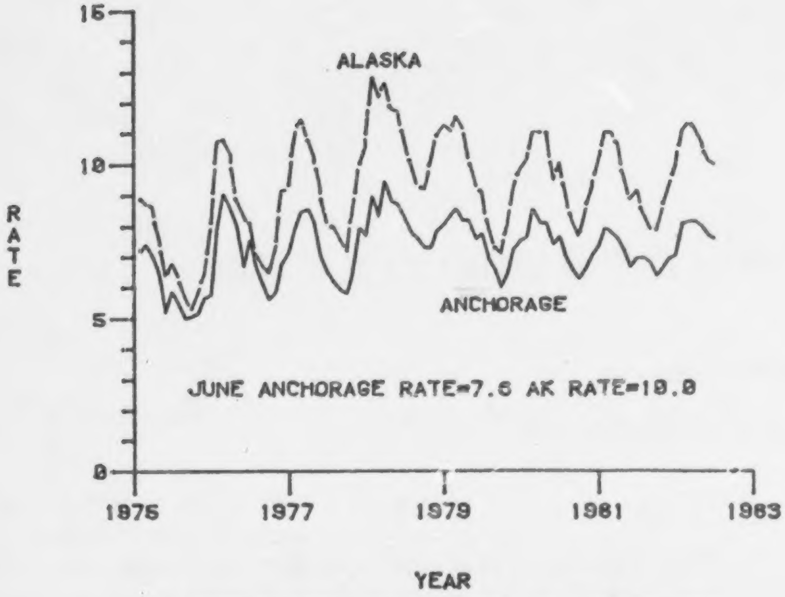
LABOR FORCE

The Anchorage-MatSu labor force in June expanded to 105,826 (3.7% above the previous month) as a result of re-entrants and new entrants joining those working or seeking work. Out of the total labor force, 8,659 were unemployed, an increase of 3.6% from May's level. However, employment also expanded at nearly the same rate causing the unemployment rate to remain unchanged from the previous month's rate of 8.2%. The fact that the rate remained constant from May to June is not unusual. Historically the unemployment rate increased from May to June during 5 of the last 7 years. Unemployment typically increases as the first, large seasonal influx of workers moves into the labor force. This year's influx of workers has been considerably larger, resulting in monthly rates above last year's rates. This June was no exception as it outpaced the year-ago rate of 7.6%. The current June rate of 8.2% has been surpassed twice in the past 7 years in 1980 and 1978. Good news about the region's unemployment rate is that it was below the national average of 9.5% and below the statewide rate of 10.0%.

MATSU NONAGRICULTURAL EMPLOYMENT

Depending upon the vigor of either the Anchorage or the MatSu borough economy, MatSu employment varies from 3.6% to 4.0% of the total regional employment. (Agricultural employment in the valley is excluded by nonagricultural statistics and may include up to 300 or more jobs in-season.) MatSu

ANCHORAGE AND ALASKA UNEMPLOYMENT RATES



population accounted for 9.3% of the regional population in 1980. The difference between employment and population ratios occurs because a large portion of borough residents are employed in Anchorage, on the North Slope, or elsewhere in the state. In 1980 it was estimated that approximately 40% of the local residents work outside the borough. (See *MatSu Housing and Economy* published by the MatSu Borough.) This is almost twice the percentage of 1970. The main employers in the MatSu borough are state and local governments (38% of total employment) and the trade and service industries (35% of total employment.)

The Alaska Department of Labor defines the area as the political boundaries of the Matanuska-Susitna Borough. Because of the relatively small size of the MatSu economy, nonagricultural employment is estimated at a regional level which includes Anchorage. Although it is possible to obtain an approximation of MatSu employment by subtracting Anchorage employment from the regional employment total, this method should not be used to analyze month-to-month dynamics. At best the numbers are general indicators. A more reliable break-out of MatSu employment is presented in the Alaska Department of Labor *Statistical Quarterly* publication.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	*R/*		CHANGES FROM:	
	6/82	**5/82**	**6/81**	**5/82**	**6/81**
Nonag. Wage & Salary......	96850	93300	89850	3550	7000
Mining	3700	3600	3400	100	300
Construction	9500	8400	7350	1100	2150
Manufacturing	2700	2100	2550	600	150
Trans. Comm. & Util.	9650	9250	9050	400	600
Trade	20300	19750	18650	550	1650
Finance-Ins. & R. Estate ..	6300	6250	6000	50	300
Services & Misc.	19200	18750	18100	450	1100
Government	25500	25200	24750	300	750

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

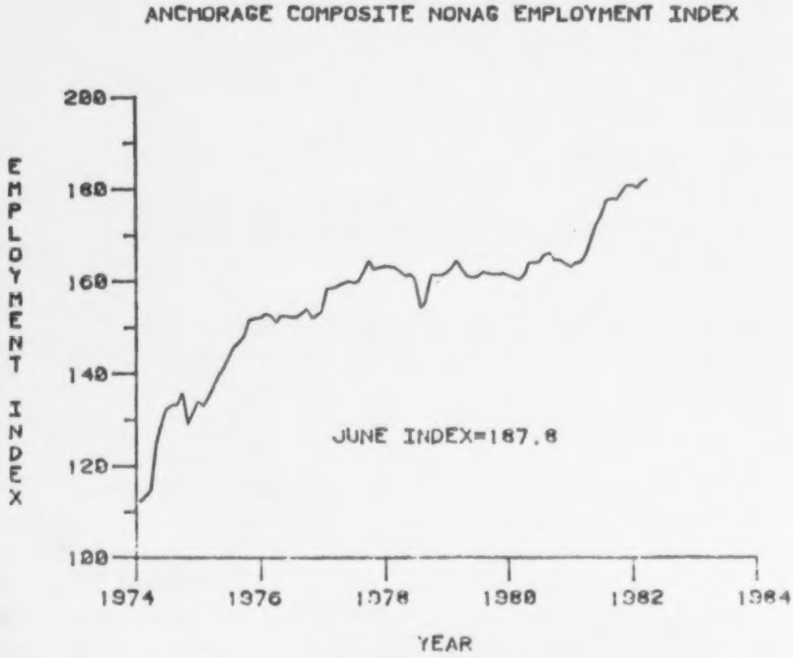
P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

ANCHORAGE NONAGRICULTURAL EMPLOYMENT

Anchorage nonagricultural employment increased 3.9% in June to 93,150. The majority of the increase was seasonal, however, one-fifth of the increase was above normal hiring trends pointing to continued underlying economic expansion. The seasonally adjusted employment composite index increased 1.5 index points from May to 187.5. This was 7.5 points above January's index. Although construction and manufacturing historically make-up around 10% of total nonagricultural employment they provided 46% of the month-to-month increase; this is not unusual for this time of year due to the highly seasonal nature of construction and fish processing (a subsector of manufacturing). Seasonally adjusted construction employment remained unchanged from the May level indicating normal hiring trends. Much of the underlying growth occurred earlier because the construction season started earlier this year and work on many of last season's unfinished projects continued through the winter.

The three largest employers in Anchorage, trade, services and government, accounted for 67% of all jobs. Each industry experienced seasonal and underlying growth over the month. However, seasonally adjusted government employment declined from January to June due to declines in federal civilian (nonmilitary) employment. Local government employment in June declined due to the temporary layoff of school personnel for the summer but did register seasonally adjusted increases. Seasonally adjusted employment in trade and services has consistently increased since January.



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

				CHANGES FROM:	
	P/	R/			
	6/82	5/82	6/81	5/82	6/81
Nonag. Wage & Salary......	93150	89650	86250	3500	6900
Mining	3600	3500	3350	100	250
Construction	9100	8100	6950	1000	2150
Manufacturing	2600	2000	2500	600	100
Food & Kindred Prod.....	650	300	750	350	-100
Other Mfg.	1950	1700	1750	250	200
Trans. Comm. & Util.	9400	9000	8700	400	700
Trucking & Whseing.	1200	1150	1050	50	150
Water Transportation	500	450	500	50	0
Air Transportation	3550	3450	3350	100	200
Other Transportation Comm. & Utilities	4150	3950	3800	200	350
Trade	19550	19000	17900	550	1650
Wholesale Trade	4650	4550	4250	100	400
Retail Trade..............	14900	14450	13650	450	1250
Gen. Merchandise	1900	1850	1800	50	100
Food Stores.............	2200	2200	2050	0	150
Eating & Drinking Places	5300	5050	4750	250	550
Other Retail Trade	5500	5350	5050	150	450
Finance-Ins. & R. Estate ..	6250	6150	5900	100	350
Services & Misc...........	18700	18300	17750	400	950
Government	23950	23600	23200	350	750
Federal	10000	9750	9850	250	150
State	5950	5800	5400	150	550
Local.....................	8000	8050	7950	-50	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

FAIRBANKS/INTERIOR

By Neal Fried

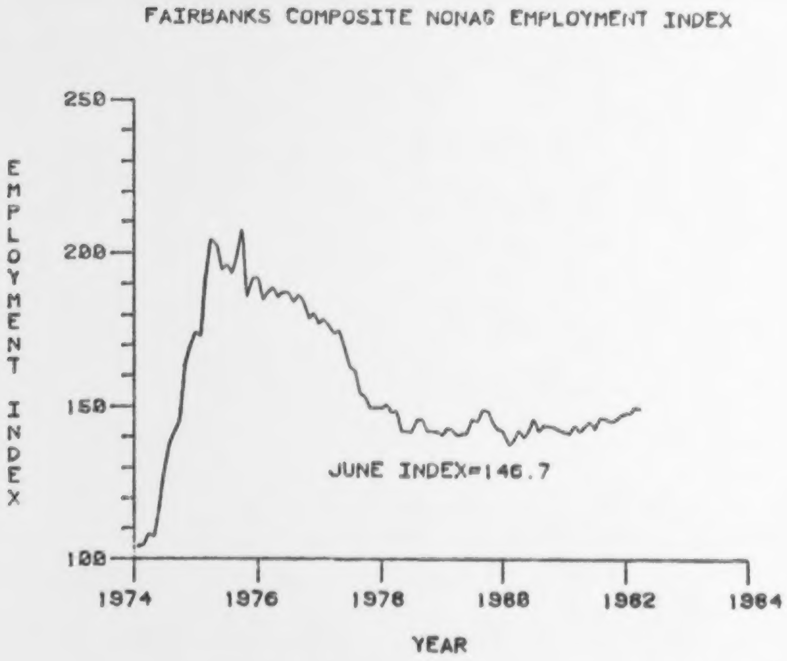
LABOR FORCE

Fairbanks and Interior unemployment rates remained at high levels. Fairbanks' rate of 15.0% did not budge in June, and Interior's rate only fell two-tenths of a percentage point. The employment side of the labor force equation grew, but the unemployment side grew just as rapidly and prevented the rate from falling. Fairbanks' rate remained far above the state's rate of 10.0%. The year-ago comparison has not changed as the unemployment rate remained two points above 1981's rate in June.

NONAGRICULTURAL EMPLOYMENT

With the summer season well underway employment is following usual summer trends and growing. Employment, with only one major exception, grew in all industries in June. Government was the exception, and employment declined only because teachers and staff at the schools and the university left for the summer. The growth in employment was not only due to seasonal growth but also real growth in employment. Seasonally adjusted figures indicated over-the-year growth and the seasonally adjusted wage and salary index registered at 146.7 in June compared to 142.9 in June 1981.

June's surge in employment was largely fueled by construction as road, building and residential construction got into full swing. Residential construction permits have lagged behind the year-ago level but the increase in road construction has more than offset this to keep industry employment slightly ahead of the year-ago level.

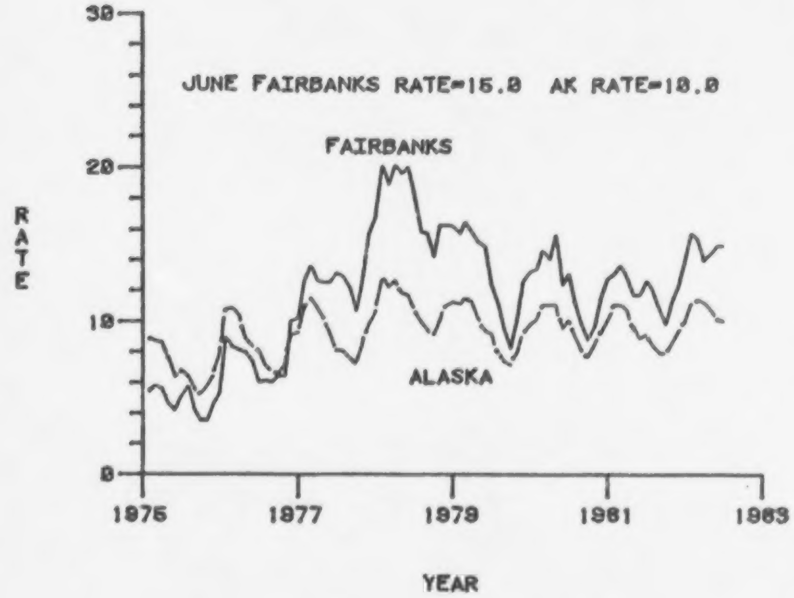


CAPITAL BUDGETS

Most construction presently taking place in Fairbanks and the remainder of the Interior is being fueled or subsidized by the public sector from dollars allocated during the 1980 and 1981 legislative sessions. These were record budget years for the state and Fairbanks received $67 million in 1980 and $93 million in 1981. The balance of the Interior received $32 million and $40.2 million in 1980 and 1981, respectively. Approximately 88% of this money was for construction.

Millions of dollars for capital projects were again allocated during the 1982 legislative session with the lion's share again going to construction projects (89%). However, this was a somewhat leaner year due to falling oil prices. Approximately $56 million for capital projects was allocated to Fairbanks in 1982 and $27.9 million to the balance of the Interior. As in the past, this money is being funneled through state and local government. Projects in Fairbanks range from roads to fire

FAIRBANKS AND ALASKA UNEMPLOYMENT RATES



engines and from land acquisition to hospital expansion. The single largest allocation was $16.5 million for the expansion of the Fairbanks Memorial Hospital. Projects in the balance of the Interior range from a new city hall in Galena to electrification in Rampart and from expansion of the Delta agricultural project to a portable sawmill in Allakaket.

Fairbanks construction industry is presently very dependent upon public construction for growth and a smaller allocation this year may affect construction employment levels in the future. This smaller allocation will not be felt immediately nor will it cause a sudden slowdown in construction. Construction dollars often take a number of years before they become brick and mortar because of the different project stages such as engineering, planning, the bid process, and possible unforeseen problems before actual building begins. This causes projects which have been funded in different years to overlap and be spread over a period of several years. The smaller capital budget could mean construction in the public sector may not continue to grow as it has in the near past. As a result construction employment in Fairbanks and Interior may level off and possibly even decline slightly in 1983-1984.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	P/	R/			
	6/82	**5/82**	**6/81**	**5/82**	**6/81**
Nonag. Wage & Salary	22600	22300	22050	300	550
Mining	50	50	50	0	0
Construction	1850	1500	1800	350	50
Manufacturing	450	500	600	-50	-150
Trans. Comm. & Util.	2850	2750	2800	100	50
Trucking & Whseing.	450	400	450	50	0
Air Transportation	700	700	700	0	0
Other Trans. Comm. & Utilities	1700	1650	1650	50	50
Trade	4200	4100	4100	100	100
Wholesale Trade	700	700	700	0	0
Retail Trade	3500	3400	3400	100	100
Gen. Merchandise & Apparel	400	400	400	0	0
Food Stores	600	600	600	0	0
Other Retail Trade	2500	2400	2400	100	100
Finance-Ins. & R. Estate	800	750	750	50	50
Services & Misc.	4350	4200	4100	150	250
Government	8050	8450	7850	-400	200
Federal	2500	2300	2550	200	-50
State	3350	3500	3300	-150	50
Local	2200	2650	2000	-450	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK INTERIOR

	P/	*R/*		CHANGES FROM:	
	6/82	**5/82**	**6/81**	**5/82**	**6/81**
Nonag. Wage & Salary......	26150	25650	25800	500	350
Mining	250	200	250	50	0
Construction	1950	1600	1900	350	50
Manufacturing	600	550	800	50	-200
Trans. Comm. & Util.	3700	3600	3700	100	0
Trade	4550	4350	4450	200	100
Finance-Ins. & R. Estate ..	850	800	800	50	50
Services & Misc.	4650	4500	4500	150	150
Government	9600	10050	9400	-450	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

GULF COAST

By Neal Fried

LABOR FORCE

Gulf Coast labor force statistics in June changed somewhat more dramatically than they did in most places in the state. This was largely due to the region's strong attachment to work in the fishing industry which began escalating in June. The regional unemployment rate, at 13.1%, remained one of the highest in the state. Rates in divisions within the region such as Cordova and Seward, came in below this rate, registering 6.9% and 10.2%, respectively, whereas the Kenai rate remained high at 15.0%.

NONAGRICULTURAL EMPLOYMENT

Total nonagricultural employment grew in June with nearly all industries contributing to this growth. While employment in fish processing was below the year ago figure, it was still the number one contributor to June's increase. The June salmon catch was above average in most areas of the region but still not equal to last year's record levels. Gulf Coast processors handled fewer Bristol Bay fish in June because the fishermen's strike there was still underway. Employment in this industry does not peak until July and the catch in the region is projected to be good which may help bring this year's employment level closer to last year's record level.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	*R/*			
	6/82	**5/82**	**6/81**	**5/82**	**6/81**
Nonag. Wage & Salary......	17350	16750	17800	600	-450
Mining	850	850	900	0	-50
Construction	1300	1050	1000	250	300
Manufacturing	3600	3050	4650	550	-1050
Food & Kindred Prod......	2750	2200	3700	550	-950
All Other Mfg.	850	850	950	0	-100
Trans. Comm. & Util.	1700	1650	1700	50	0
Trade	2600	2500	2550	100	50
Wholesale Trade	450	450	450	0	0
Retail Trade	2150	2050	2100	100	50
Finance-Ins. & R. Estate ..	450	450	450	0	0
Services & Misc.	2700	2600	2600	100	100
Government	4150	4600	3950	-450	200
Federal	550	500	500	50	50
State	1400	1400	1400	0	0
Local	2200	2700	2050	-500	150

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Benchmark Date March 1980.

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CAPITAL BUDGETS

Construction, for the second month in a row, was another contributor to employment growth. Public construction has dominated the industry in the Gulf Coast (See *Alaska Economic Trends,* July, 1982). A majority of the dollars fueling these projects was allocated during the last 2 legislative sessions when record capital budgets were passed. The last session continued this tradition with a slightly scaled down version because of falling oil prices. Approximately $173 million was allocated to the region during the 1981 session and approximately $136 million was allocated during the 1982 session. Approximately 99% of the 1982 appropriations will go to construction and more than $105 million of this will go to power projects. Projects range from power projects in Kodiak, Homer and Seward to a beautification project in Seldovia, and from road construction in Kenai to a community hospital in Cordova.

Because these projects overlap and often take a number of years before getting off the ground, the allocation of fewer dollars this year does not necessarily translate into less employment next year. Projects such as dam construction will be taking place over the next 3 to 7 years. If oil prices do not rebound at all, however, a leveling off and even decline in employment could occur in this industry in 2 to 3 years.

SOUTHEAST ALASKA

By Debbie Berggren

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT AND LABOR FORCE

Nonagricultural wage and salary employment increased 3.6% during June. This was 1,000 jobs above May. At the regional level the unemployment rate continued to decline for the third straight month to 9.6%.

Construction employment continued to expand, increasing 18.5% over the month. Increased activity in heavy construction accounted for 50% of the increase in construction employment. Building and special trades construction experienced employment gains of 11.8% and 12.3%, respectively.

Lumber and paper products employment peaked during June at 2,550. In July, Louisiana Pacific, Ketchikan Pulp Mill division will be shutting down for approximately 5 weeks. Also, the Ketchikan Spruce Mill, Division of Louisiana Pacific, will be shutting down for about 6 weeks.

Transportation, communication and utilities employment increased 7.3% (or 200 jobs) in June. All sectors contributed to the increase. Water and miscellaneous transportation experienced the highest gains, increasing by approximately 70 and 50 jobs, respectively.

Mining, services and miscellaneous employment increased 9.5% (350 jobs) during June. As hotels and motels continued to

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P/	R/		CHANGES FROM:	
	6/82	5/82	6/81	5/82	6/81
Nonag. Wage & Salary	28600	27600	28300	1000	300
Construction	1600	1350	1350	250	250
Manufacturing	3500	3500	4350	0	-850
Food & Kindred Prod.	700	750	1150	-50	-450
Lumber & Paper Prod.	2550	2500	2950	50	-400
All Other Mfg	250	250	250	0	0
Trans. Comm. & Util.	2750	2550	2700	200	50
Trade	4400	4050	4050	350	350
Wholesale Trade	400	350	400	50	0
Retail Trade	4000	3700	3650	300	350
Finance-Ins. & R. Estate ..	1000	1050	1100	-50	-100
Mining, Services & Misc.	4050	3700	3850	350	200
Government	11300	11400	10900	-100	400
Federal	2150	2100	2250	50	-100
State	5300	5250	5000	50	300
Local	3850	4050	3650	-200	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

build up their staff for the tourist season, employment increased 48.9%, or about 275 jobs during June. Mining experienced a 51.9% employment increase. Due to the end of the school year, private schools employment dropped 21.8% or about 40 jobs.

In the government sector, local education employment dropped about 250 jobs. Local noneducation employment increased by about 50 jobs. Employment in state education declined 50 jobs during June, but this was offset by an increase of 100 jobs in state noneducation.

HOURS AND EARNINGS

By Brit Harvey

Hours and earnings remained steady in May for the nonbasic industries; transportation, communications and utilities; trade; and finance, insurance and real estate. Nonbasic industries tend to be more stable and less seasonal than the basic industries.

Non-oil mining average weekly hours increased 27% in May, as climatic conditions improved. Overall mining showed little change, as the much larger oil and gas sector remained steady.

Food and kindred products average hourly earnings increased by 5% and average weekly hours increased 17%. This reflects the normal buildup of seafood processing in late spring.

Lumber and paper products average weekly hours declined slightly while average weekly hours advanced by 14%. The increase in hours was due to the reopening of a sawmill.

On looking at year-to-year changes, finance, insurance and real estate registered an unusually high 18% increase in average weekly earnings. This reflects an unusually low May 1981 figure rather than significant current changes.

ALASKA
HOURS AND EARNINGS FOR SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 5/82	r/ 4/82	5/81	p/ 5/82	r/ 4/82	5/81	p/ 5/82	r/ 4/82	5/81
MINING	$21.13	$21.09	$20.01	53.1	52.4	51.4	$1122.00	$1105.12	$1028.51
CONTRACT CONST.3/	22.49	23.05	20.10	43.6	46.6	46.4	980.56	1074.13	932.64
MANUFACTURING	13.08	13.25	11.49	39.2	35.2	43.8	512.74	466.40	503.26
Food & Kindred Prod.	8.99	8.58	7.79	36.0	30.7	44.3	323.64	263.41	345.10
Lumber & Paper Prod.	14.88	15.47	14.16	41.6	36.3	43.0	619.01	561.56	608.88
TRANS., COMM. & UTIL.	15.38	14.82	14.26	36.2	36.3	39.2	556.76	537.97	558.99
TRADE	9.64	9.64	9.41	34.8	34.3	34.3	335.47	330.65	322.76
Wholesale Trade	11.20	11.35	11.68	38.8	37.8	36.7	434.56	429.03	428.66
Retail Trade	8.93	8.85	8.51	33.2	32.8	33.5	296.48	290.28	285.09
FINANCE, INS. & R.E.	--	--	--	--	--	--	348.78	336.79	295.19

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

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ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC
TRENDS

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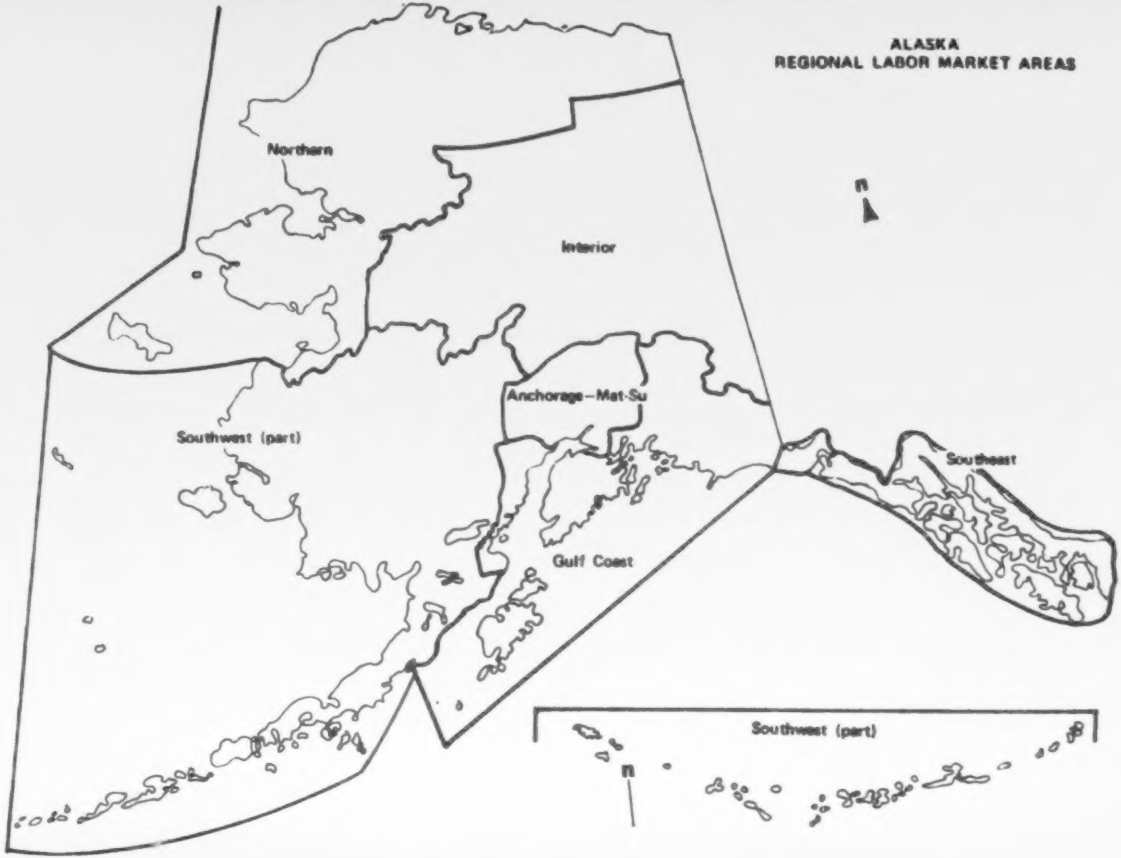
ALASKA
REGIONAL LABOR MARKET AREAS


n
Northern
Interior
Anchorage—Mat-Su
Southwest (part)
Southeast
Gulf Coast
Southwest (part)
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ALASKA ECONOMIC TRENDS

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In This Issue

Consumer Price Index Revisions 1
Seasonal Adjustment 3
Anchorage Construction Boom 9
Fairbanks Per Capita Personal Income 13
Gulf Coast Per Capita Personal Income 16
Southeast Manufacturing Down 19
Molybdenum Demand and Quartz Hill 21
Hours and Earnings in June 23

Regular Features

Unemployment Rate and Graphs

Alaska and U.S. 7
Anchorage and Alaska 8
Fairbanks and Alaska 12

Nonagricultural Employment By Industry

Alaska 6
Anchorage/Matsu 10
Anchorage 11
Fairbanks 13
Fairbanks/Interior 14
Gulf Coast 17
Southeast Alaska 19

Composite Nonagricultural Indexes

Alaska 4
Anchorage 9
Fairbanks 15

Hours and Earnings 24

Labor Force By Region and Census Division
Colored Insert

CONSUMER PRICE INDEX REVISIONS

By Brit Harvey

The Consumer Price Index (CPI) is the most frequently used statistic among the thousands generated by the federal government. It is the most common indicator of change in the "cost of living", and is used as an escalator in numerous contracts leases and government entitlement programs. Currently, a 1% increase in the CPI triggers $2.5 billion in government expenditures alone.1/ In the distinctly glamourless world of economic statistics, the CPI is a media darling, regularly garnering front page headlines. As with any celebrity, the CPI's very popularity has rendered it fair game for critics. This article briefly describes the CPI, it's problems, changes planned for 1983, and the likely future impacts of these changes.

The Anchorage urban area is the only locale in Alaska for which a CPI is calculated. CPI figures are released every other month. There are two types of CPI's. The CPI-U is for the urban consumers, and approximates the buying habits of 80% of the population. The CPI-W is for wage and clerical workers and approximates the buying habits of 40% of the population. These CPI's are based on different "market baskets" of goods and services which were arrived at by a survey last conducted in 1972.

Over the years the CPI has become an increasingly important economic factor, as contracts, leases and government entitlement programs such as social security and food stamps have been indexed to the CPI. The CPI is no longer simply a statistical estimate of the inflation rate, but is also a generator of inflation. Under these conditions, the quality of the CPI methodolgy is an important substantive issue, not simply a subject for arcane debate among statisticians.

The primary criticism of the CPI in recent years has focused on housing costs, and particularly on the homeownership com-

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1/ Bruce Hanchett, Bureau of Labor Statistics Regional Commissioner: conversation; July 29, 1982.

ponent. In Anchorage, approximately 50% of the CPI market basket consists of housing. Nationally, housing is a smaller percentage, but still greatly exceeds any other component. The large housing component renders the overall CPI highly sensitive to changes in housing costs. During the late 1970's, the surge in the homeownership component, both the house price itself and the cost of the mortgage, was a major factor in pushing the national CPI well into double-digits.

Critics point out only 6% of the population buys a house in any single year, that buying housing is partially an investment rather than a purely consumptive activity, and that the CPI methodology for surveying house and mortgage prices has severe flaws.

In response to this criticism, much of which came from Bureau of Labor Statistics staff responsible for producing the CPI, the CPI methodolgy will change in January 1983 to a "rental equivalency" method for calculating homeownership costs. An attempt will be made to estimate what it would cost homeowners to rent their homes, and this consumptive portion of their involvement with their real estate will be included in the CPI. Had this method been used in the past, the CPI would have been substantially depressed during the 1979-1980 period when the CPI nearly hit 15% on an annualized basis. This change will be made in January 1983 for the CPI-U, and January 1985 for the CPI-W. The CPI-W is delayed to accommodate existing labor contracts which use it as an escalator. The CPI-U will also be published concurrently for the first six months of 1983 using the current methodology. The CPI-U and CPI-W, which are now very similar, may diverge when different calculation methods are used in the 1983-1985 period. Some confusion is likely. Anyone using the CPI as an escalator in any contract or lease should specifically state which CPI is involved.

What is the likely influence on the CPI of the new method for calculating homeownership costs? There is no consensus on this point. While the rental equivalence method would have slowed the CPI increase during the past several years, there is no reason to assume this will occur in the future. Should rental costs increase more rapidly than homeowner costs in 1983 and beyond, the change in methods could actually result in an acceleration in inflation as approximated by the CPI-U. In view of the fact that rental prices tend to lag behind changes in homeownership costs, and that homeownership costs recently peaked, the odds of the CPI methodology change increasing the rate of CPI increase must be considered at least 50%.

ALASKA

By Brit Harvey

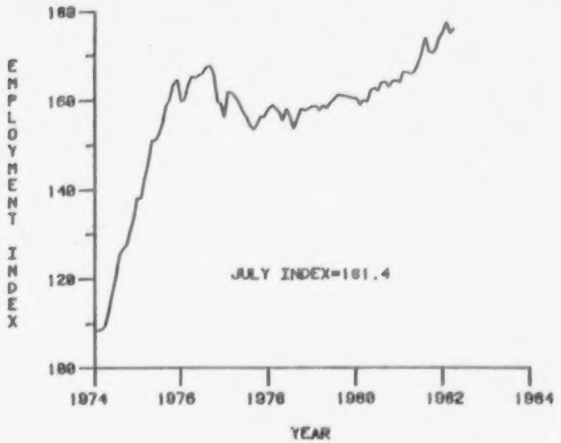
SEASONAL ADJUSTMENT

In a highly seasonal economy such as Alaska's, seasonal adjustment is a crucial tool for revealing underlying trends in employment data. Seasonal employment variation in Alaska is typically close to 20%. This large variation masks much smaller growth trends of 1-5% annually.

Seasonal adjustment is a complex statistical procedure. Essentially, a "normal" seasonal pattern is determined based on data for past years. Seasonal factors which reflect this normal pattern are calculated for each month. These seasonal factors are used to adjust new data to remove the effect that seasonality would normally have.

Seasonal adjustment is highly reliable for adjusting series like school employment. The usual seasonal pattern of school closures and openings predictably influences employment. For other less predictable employment time series, such as seafood processing or logging, seasonal adjustment is less reliable. These sectors are influenced by climatic and biological events which are not as regular as the school year. While employment in any given year may vary from the normal seasonal pattern for these sectors, seasonal adjustment is necessary and valuable, although care must be taken in interpreting seasonally adjusted results.

ALASKA COMPOSITE NONAG EMPLOYMENT INDEX



Alaska's nonagricultural employment in the past year has displayed characteristics which render seasonal adjustment somewhat misleading. For several reasons, the economy exhibited less seasonal variation than normal. An extended construction season, particularly for Anchorage office buildings, and maturation of the secondary industries, which are less seasonal, were primary factors in diminishing seasonality. The result was very high seasonally adjusted employment expansion last fall, and correspondingly diminished seasonally adjusted employment during spring. While Alaska's rate of economic growth has slowed to some extent this year, the seasonal adjustment procedure overstated this slowing to such a degree that the Alaska Composite Nonagricultural Index (which is seasonally adjusted) showed a decline for several months.

At the end of 1982, data for 1981 and 1982 will be incorporated into the seasonal adjustment procedure. This will result in a "normal" seasonality which more closely resembles the seasonality exhibited in the two years. As Alaska's economy changes, the seasonal adjustment procedure results in changing seasonal factors. In any year where the seasonal pattern varies to a large degree from the pattern of previous years, seasonally adjusted figures require more care in interpretation.

NONAGRICULTURAL EMPLOYMENT

Alaska nonagricultural wage and salary employment was 199,400 in July. This was a 2.7% increase for the month, or 1.5% seasonally adjusted. The year-to-year growth was 7,400 jobs, or 3.9%.

The data for recent months suggest that Alaska's economy has resumed its growth following a slower spring. The primary causes of the decline in the state's growth rate this spring were depressed fish processing employment and a late start to the tourist season. Tourism is apparently fully recovered, and large salmon runs in much of the state have boosted fish processing employment despite the industry's well-publicized difficulties. The rest of the summer should show continued strong growth, particularly as permanent fund dividend checks work their way into the economy.

Oil and gas employment was up in July by 3.1%, bucking the national trend. Apparently Alaska's inherent attractiveness to the industry (See *Trends,* May 1982) is insulating Alaska's oil and gas employment from the nationwide slump. The U.S. active rig count is down 41% during 1982, the sharpest decline ever. Oil prices, which stabilized for several months, are dropping again. The consensus of industry analysts is for no nationwide recovery until 1983 at the earliest.

Seafood processing was up 75% in July, but was still down 15% from last year. This sector, which accounted for 5.7% of all July employment, is highly volatile, and could show an equally rapid decline in coming months if processors balk at adding further to already bloated inventories.

Forest products employment continued to run about 20% below last year.

Construction employment continued to lead employment growth over the year at 18.2%. While failing to repeat the extreme 25 to 30% annual growth rates of last year, construction is still booming. Alaska economic growth continues to be oil-financed and construction-led.

UNEMPLOYMENT

The July Alaska unemployment rate dropped sharply from 10.0% to 8.8%. While 8.8% is still above last year by about one half of a percentage point, it is a full percentage point below the not seasonally adjusted national July rate of 9.8%.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

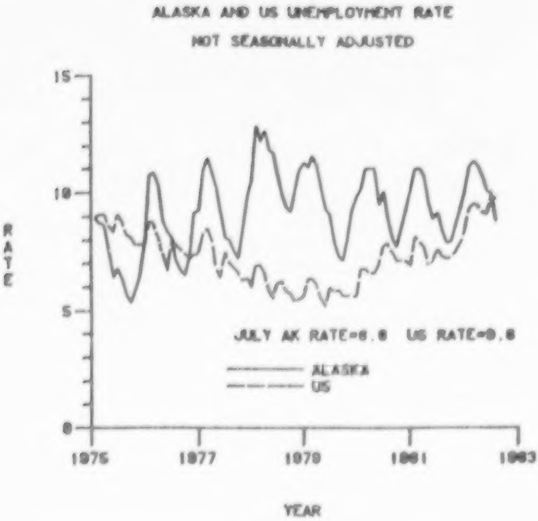
	P/	R/		CHANGES FROM:	
	7/82	6/82	7/81	6/82	7/81
Nonag. Wage & Salary	199400	194200	192000	5200	7400
Mining	9000	8600	7900	400	1100
Construction	17500	16200	14800	1300	2700
Manufacturing	17500	13100	19800	4400	-2300
Food & Kindred Prod.	11300	6600	13200	4700	-1900
Lumber & Paper Prod.	2700	3200	3400	-500	-700
All Other Mfg.	3500	3300	3200	200	300
Trans. Comm. & Util.	20300	19700	19500	600	800
Trucking & Wheeing.	2300	2400	2300	-100	0
Water Transportation	1800	1500	1800	300	0
Air Transportation	6400	5900	6300	500	100
Other Transportation Comm. & Utilities	9800	9900	9100	-100	700
Trade	34700	33900	32200	800	2500
Wholesale Trade	7000	6800	6300	200	700
Retail Trade	27700	27100	25900	600	1800
Gen. Merchandise & Apparel	4600	4400	4400	200	200
Food Stores	4900	4700	4400	200	500
Eating & Drinking Places	9800	9700	9100	100	700
Other Retail Trade	8400	8300	8000	100	400
Finance-Ins. & R. Estate	9700	9500	8700	200	1000
Services & Misc.	34500	34300	32600	200	1900
Government	56200	58900	56500	-2700	-300
Federal Government	18200	17900	18300	300	-100
State Government	17500	17100	16900	400	600
Local Government	20500	23900	21300	-3400	-800

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.



Up until July, Alaska's unemployment rate remained fairly high. Apparently the surge in employment which occurred in July was strong enough to drop the rate, despite the high in-migration of job seekers this year.

Regional rates strongly reflect July's 75% increase in fish processing employment. The Gulf Coast and Southwest regions both saw three percentage point drops in their unemployment rates.

ANCHORAGE/MATSU

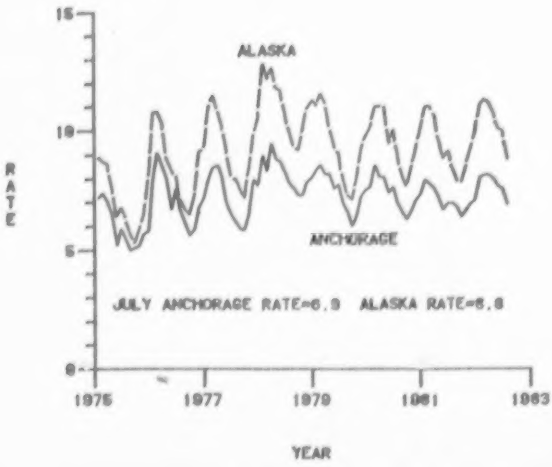
By Greg Huff

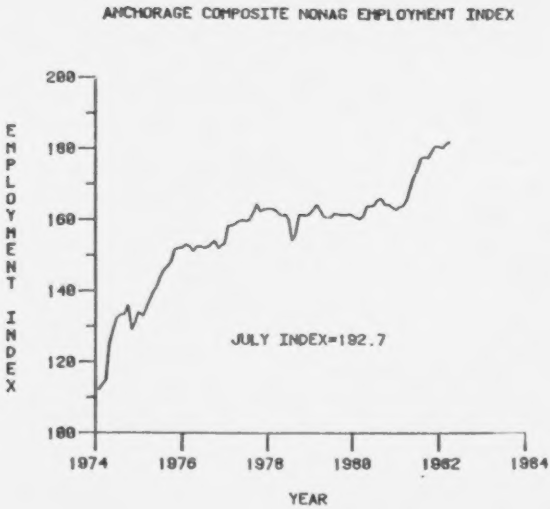
LABOR FORCE

July's unemployment rate for the Anchorage-MatSu labor market region followed normal seasonal trends by taking the first major dip since the beginning of the year. The rate this July dropped six-tenths of a percentage point settling at 7.5%, which was equal to last July's rate. Since 1975 this rate has been surpassed twice, in 1978 and 1980. The lowest rate of 5.5% was registered in 1975.

Compared to the national or statewide rate the Anchorage-MatSu rate fared well in July. Nationally, the unemployment rate stood at 9.8% (not seasonally adjusted) and at 8.8% statewide. The region also had the lowest rate of any other labor market region statewide. Although the region fared well comparatively, 7.7% constitutes a "tight" job market for the job seeker (primarily in the construction related fields and for the unskilled). This was the peak of summer and the unemployment rate is unlikely to fall below 7.0%. The unemployment rate will climb in October or November.

ANCHORAGE AND ALASKA UNEMPLOYMENT RATES





NONAGRICULTURAL EMPLOYMENT

Anchorage nonagricultural wage and salary employment in July rose by 2,950 (3.2%) over June's level (2.4% seasonally adjusted). This increase advanced Anchorage's share of total statewide employment to 48%, up two percentage points from last July. Construction employment played an important part in this shift. Construction employment in July was 2,100 above the year-ago level and the percentage share of statewide construction employment in Anchorage increased from 52% to 56%. Anchorage commercial construction represented nearly 90% of statewide construction. Anchorage residential construction employment also experienced a considerable advance in the percentage share. Housing and Urban Development (HUD) statistics showed that 79% of Alaska's housing permits (a majority of which were condominiums) were based in Anchorage.

CONSTRUCTION EMPLOYMENT BOOM

Construction employment in July represented more than 10% of total Anchorage nonagricultural employment, up from 8% last July. This shift indicates that construction employment is growing at a faster pace than employment in the economy as a whole. This is not always the case. For example, during the

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

				CHANGES FROM:	
	P/	R/			
	7/82	6/82	7/81	6/82	7/81
Nonag. Wage & Salary......	100150	97200	92050	2950	8100
Mining	3750	3750	3300	0	450
Construction	10350	9550	8150	800	2200
Manufacturing	3050	2750	3000	300	50
Trans. Comm. & Util.	10000	9700	9200	300	800
Trade	21250	20450	18850	800	2400
Finance-Ins. & R. Estate ..	6600	6450	6050	150	550
Services & Misc.	19700	19250	18550	450	1150
Government	25450	25300	24950	150	500

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

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post-earthquake rebuild in 1964 and 1965, annual average construction employment climbed to more than 10% of total Anchorage employment, and then declined to 7.3% by 1968. Construction employment's share of total employment rose again in 1970 for pre-pipeline start-up, peaked in 1975 and 1976 during the height of pipeline construction at 10.0%, and then fell to 7.1% in 1980. In 1981, when the current "building boom" started, the share rose to 8.0% and could continue upwards to 10% this year.

YEAR-TO-YEAR COMPARISONS

All major industries of the Anchorage economy recorded over-the-year increases which boosted total nonagricultural employment by 8.6%. However, employment in two sectors, food and kindred products and local government, did register levels below last year. Fish processing, the largest component of food and kindred products, rose over the month but because of lower catch levels, fish processing employment was 200 below last year. Local government employment showed over-the-year declines because the number of teachers hired last year on a one year contract was far more than the previous

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P	R		P	R		P	R		P	R	
	7/82	6/82	7/81	7/82	6/82	7/81	7/82	6/82	7/81	7/82	6/82	7/81
Alaska Statewide	211862	210010	206180	18672	20909	17373	8.8	10.0	8.4	193190	189101	188807
Anch.-MatSu Region.....	108210	106915	100941	8124	8708	7525	7.5	8.1	7.5	100086	98207	93416
Anchorage.............	97492	96406	91104	6681	7300	6345	6.9	7.6	7.0	90811	89106	84759
Matanuska-Susitna	10718	10509	9837	1443	1408	1180	13.5	13.4	12.0	9275	9101	8657
Gulf Coast Region	24849	23552	25189	2457	3059	2099	9.9	13.0	8.3	22392	20493	23090
Cordova	1278	1178	1301	79	81	65	6.2	6.9	5.0	1199	1097	1236
Kenai	13032	12293	13053	1623	1851	1288	12.5	15.1	9.9	11409	10442	11765
Kodiak	5457	5316	5577	344	637	305	6.3	12.0	5.5	5113	4679	5272
Seward	1749	1626	1798	152	165	151	8.7	10.1	8.4	1597	1461	1647
Valdez	3333	3139	3460	259	325	290	7.8	10.4	8.4	3074	2814	3170
Interior Region	26938	27247	27043	3382	3947	3253	12.6	14.5	12.0	23556	23300	23790
Fairbanks	22041	22319	22028	2841	3328	2637	12.9	14.9	12.0	19200	18991	19391
Southeast Fairbanks ...	2152	2162	2185	226	257	240	10.5	11.9	11.0	1926	1905	1945
Upper Yukon	676	670	671	102	102	91	15.1	15.2	13.6	574	568	580
Yukon-Koyukuk........	2069	2096	2159	213	260	285	10.3	12.4	13.2	1856	1836	1874
Northern Region	8767	9579	8751	735	846	853	8.4	8.8	9.7	8032	8733	7898
Barrow-North Slope ...	2352	2548	2330	185	192	200	7.9	7.5	8.6	2167	2356	2130
Kobuk..................	2739	3019	2775	246	309	324	9.0	10.2	11.7	2493	2710	2451
Nome	3676	4012	3646	304	345	329	8.3	8.6	9.0	3372	3667	3317

Southeast Region	31308	31437	31703	3052	3002	2756	9.7	9.5	8.7	28256	28435	28947
Angoon	450	452	445	76	76	62	16.9	16.8	13.9	374	376	383
Haines	1061	1101	1066	108	142	89	10.2	12.9	8.3	953	959	977
Juneau	11052	11154	11285	794	832	776	7.2	7.5	6.9	10258	10322	10509
Ketchikan	6925	6619	6758	981	637	669	14.2	9.6	9.9	5944	5982	6089
Outer Ketchikan	796	845	800	96	140	83	12.1	16.6	10.4	700	705	717
Prince of Wales	1460	1459	1573	153	143	234	10.5	9.6	14.9	1307	1316	1339
Sitka	4623	4711	4579	479	541	334	10.4	11.5	7.3	4144	4170	4245
Skagway	1486	1522	1542	104	131	126	7.0	8.6	8.2	1382	1391	1416
Wrangell-Petersburg	3455	3574	3655	261	360	383	7.6	10.1	10.5	3194	3214	3272
Southwest Region	11790	11280	12553	922	1347	887	7.8	11.9	7.1	10868	9933	11666
Aleutian Islands	3052	2875	3296	97	174	124	3.2	6.1	3.8	2955	2701	3172
Bethel	3878	3688	4108	421	528	397	10.9	14.3	9.7	3457	3160	3711
Bristol Bay Borough	406	398	432	16	42	13	3.9	10.6	3.0	390	356	419
Bristol Bay	1539	1453	1640	79	119	73	5.1	8.2	4.5	1460	1334	1567
Kuskokwim	1066	1044	1131	123	182	119	11.5	17.4	10.5	943	862	1012
Wade Hampton	1849	1822	1946	186	302	161	10.1	16.6	8.3	1663	1520	1785

P/=Preliminary 1981 Benchmark

R/=Revised (Due to technical revision these rates supercede those contained in the news release, June 18, 1982).

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/ 7/82	R/ 6/82	7/81	CHANGES FROM: 6/82	7/81
Nonag. Wage & Salary	96200	93250	88550	2950	7650
Mining	3650	3600	3250	50	400
Construction	9850	9100	7750	750	2100
Manufacturing	2950	2650	2950	300	0
Food & Kindred Prod.	950	700	1150	250	-200
Other Mfg.	2000	1950	1800	50	200
Trans. Comm. & Util.	9700	9400	8800	300	900
Trucking & Wheeing.	1250	1200	1200	50	50
Water Transportation	550	500	400	50	150
Air Transportation	3700	3550	3400	150	300
Other Transportation Comm. & Utilities	4200	4150	3800	50	400
Trade	20450	19700	18050	750	2400
Wholesale Trade	4800	4700	4350	100	450
Retail Trade	15650	15000	13700	650	1950
Gen. Merchandise	1900	1900	1850	0	50
Food Stores	2400	2250	2050	150	350
Eating & Drinking Places	5400	5300	4650	100	750
Other Retail Trade	5950	5550	5150	400	800
Finance-Ins. & R. Estate	6500	6350	6000	150	500
Services & Misc.	19200	18750	18150	450	1050
Government	23900	23700	23600	200	300
Federal	10150	10050	10050	100	100
State	5950	5900	5550	50	400
Local	7800	7750	8000	50	-200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

year. These contracts expired this year. The school district plans to hire these teachers back plus others for the coming school season.

FAIRBANKS/INTERIOR

By Neal Fried

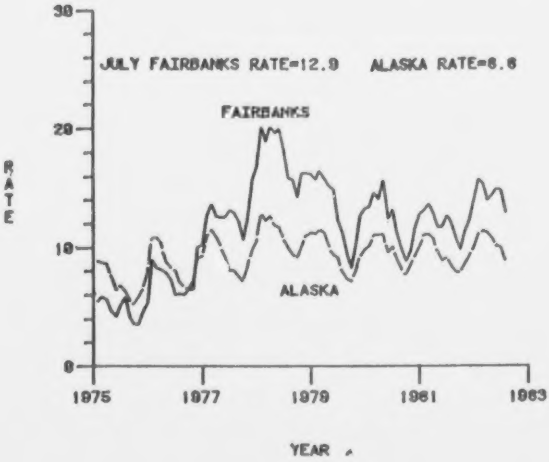
LABOR FORCE

Fairbanks labor force statistics finally moved with some resolve in July. Though the unemployment rate remained above the 1981 figure, the rate dipped two points in July, to register at 12.9%. For the first time this year the number of unemployed actually fell. The rate for the Interior region fell to 12.6% in July to remain the highest regional rate in the state.

NONAGRICULTURAL EMPLOYMENT

Fairbanks wage and salary employment in July increased above last month's level by 600 to reach a total of 23,300. This is the highest mark reached since 1977 when it was 25,800 although considerably less than the peak of 31,100 in July 1975. The monthly change was primarily seasonal, however, almost 40% of the increase was above normal hiring trends. This means the Fairbanks economy experienced real growth.

FAIRBANKS AND ALASKA UNEMPLOYMENT RATES



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	P/	*R/*			
	7/82	**6/82**	**7/81**	**6/82**	**7/81**
Nonag. Wage & Salary	23300	22700	23050	600	250
Mining	50	50	50	0	0
Construction	2350	1850	2250	500	100
Manufacturing	500	450	600	50	-100
Trans. Comm. & Util.	2850	2850	2850	0	0
Trucking & Whseing.	450	450	450	0	0
Air Transportation	700	700	700	0	0
Other Trans. Comm. & Utilities	1700	1700	1700	0	0
Trade	4350	4300	4200	50	150
Wholesale Trade	700	700	700	0	0
Retail Trade	3650	3600	3500	50	150
Gen. Merchandise & Apparel	450	450	450	0	0
Food Stores	600	600	550	0	50
Other Retail Trade	2600	2550	2500	50	100
Finance-Ins. & R. Estate	800	800	750	0	50
Services & Misc.	4450	4350	4200	100	250
Government	7950	8050	8150	-100	-200
Federal	2500	2500	2650	0	-150
State	3350	3350	3550	0	-200
Local	2100	2200	1950	-100	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

The year-to-year statistics reveal a 250 gain in employment. This trend is expected to continue at a similar rate for the remainder of 1982.

PER CAPITA PERSONAL INCOME

Another indicator which tracks Fairbanks economic trends is the per capita personal income figure published annually by the U.S. Department of Commerce. These income figures are produced for the U.S., each state and for communities through-

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/		CHANGES FROM:	
	7/82	6/82	7/81	6/82	7/81
Nonag. Wage & Salary......	26800	26250	26600	550	200
Mining	250	250	250	0	0
Construction	2450	1950	2350	500	100
Manufacturing	600	600	750	0	-150
Trans. Comm. & Util.	3750	3700	3750	50	0
Trade	4650	4600	4550	50	100
Finance-Ins. & R. Estate ..	850	850	800	0	50
Services & Misc.	4850	4700	4650	150	200
Government	9400	9600	9500	-200	-100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

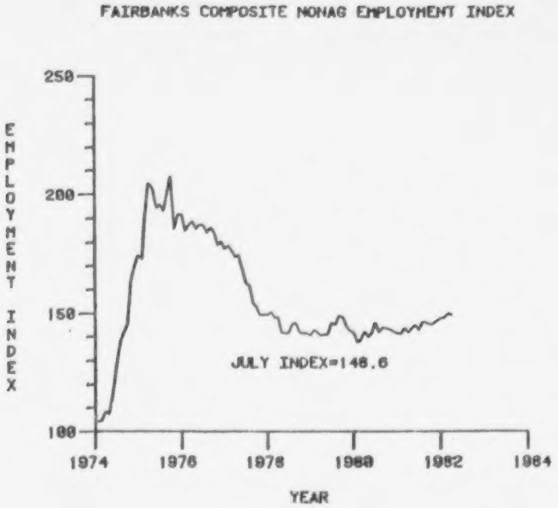
Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

out the country. These figures are calculated by dividing estimates of residence-adjusted total personal income by resident population. While per capita personal income generally serves as an indicator of the quality of consumer markets and the economic well being of area residents, Alaska's unusually high proportion of nonresident workers combined with noncash sources of goods and services are not always accurately reflected by current methodology.

Fairbanks per capita personal income in 1980 (the most recent) was $13,308, compared to $9,511 for the U.S. and $12,759 for Alaska. These income figures are published for each of Alaska's 29 census divisions. Fairbanks ranked fifth. Generally the urban areas of the state rank higher than the rural areas because of more economic activity and therefore more income. The highest per capita area in the state was Juneau at $15,732. Wade-Hampton was at the bottom with $4,325. Other areas of the Interior have done less well than Fairbanks with the Upper Yukon, Southeast Fairbanks and Yukon-Koyukuk coming in at $7,462, $10,129 and $12,429, respectively.



Over the decade, increases in Fairbanks per capita personal income have kept far ahead of inflation. Fairbanks per capita personal income in 1970 was $4,928 and over the decade had a real growth in income of 30%. This compares to 25% growth in U.S. per capita personal income over the same period of time, but it is somewhat less than statewide growth of 32% (adjustment by the CPI). During the decade, Fairbanks per capita personal income grew steadily through 1974, jumped in 1975, flattened in 1976 and fell through 1978. The figures began to rise again in 1979, and given the fact that economic activity has been on the increase again, Fairbanks per capita personal income will also be likely to continue to increase, though at a far slower rate than during pipeline days. Though Fairbanks and Alaska figures are significantly above the U.S. average, much of the difference is lost when the figures are adjusted for the cost of living.

GULF COAST

By Neal Fried

LABOR FORCE

Gulf Coast labor force statistics for July reacted to the peak of the fishing season and unemployment fell from 13.0% in June to 9.9%. The unemployment lines became shorter as more people returned to largely seasonal employment. This allowed the rate to fall. Rates within the region fell even more dramatically, particularly in Kodiak, Seward, and Valdez, areas with fishing based economies.

NONAGRICULTURAL EMPLOYMENT

Gulf Coast nonagricultural wage and salary employment grew rapidly in July as the region's economy moved towards its peak for the year. With one exception, all of the region's industries posted employment gains in July and all but two have registered gains for the year. Increased construction activity has been the major contributor to growth in the region's economy but a good tourist season also has boosted Gulf Coast employment. Manufacturing grew rapidly in July but remained below the year-ago level causing the region's 1982 total wage and salary employment to fall below last year's level. A slow logging season, but more importantly a slower fishing season, has caused this to happen to the year-ago level.

Salmon catches thus far have not reached 1981 levels in some areas of the Gulf Coast. Kodiak's catch came in above the year-ago level but the Cordova fishery catch was less than one-third of last year's catch. This is because fishermen in the Cordova area have not been fishing due to a fish price dispute with fish processors. The decline in this fishery has caused the overall catch in this region to fall 39% below last year's catch making employment fall significantly below year-ago levels. The Cook Inlet fishery has had a record sockeye catch this season.

PER CAPITA PERSONAL INCOME

The U.S. Department of Commerce recently released the 1980 per capita personal statistics for the nation, all states and areas throughout the country. These include per capita income

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	R/			
	7/82	**6/82**	**7/81**	**6/82**	**7/81**
Nonag. Wage & Salary......	19100	17350	19500	1750	-400
Mining	950	850	900	100	50
Construction	1300	1250	1050	50	250
Manufacturing	5500	3650	6400	1850	-900
Food & Kindred Prod.....	4550	2750	5400	1800	-850
All Other Mfg.	950	900	1000	50	-50
Trans. Comm. & Util.	1800	1750	1700	50	100
Trade	2700	2600	2600	100	100
Wholesale Trade	450	450	450	0	0
Retail Trade..............	2250	2150	2150	100	100
Finance-Ins. & R. Estate ..	450	450	450	0	0
Services & Misc...........	2700	2700	2600	0	100
Government	3700	4100	3800	-400	-100
Federal	500	500	500	0	0
State	1150	1350	1400	-200	-250
Local.....................	2050	2250	1900	-200	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

statistics for Alaska and 29 census divisions within the state. These income statistics provide another set of economic indicators which track trends. They are calculated on an annual basis by estimating the total personal income of all residents of an area, then are divided by the population.

Kodiak's per capita personal income was the highest in the region at $12,690 and Valdez was a close second at $12,542. Seward and Cordova-McCarthy followed at $11,967 and $11,281, respectively. Kenai-Cook Inlet was the lowest at $10,158. These figures compare with the national average of $9,511 and Alaska's average of $12,759. All divisions within the region came in above the national average, but if the cost-of-living difference were taken into account, some regions would likely fall below the U.S. average.

Over the decade all Gulf Coast income figures fared well against inflation making real gains. Valdez had the most impressive gain with a 57% real increase in per capita personal income. No division had real gains of less than 30% (adjusted by the Anchorage CPI).

Differences in per capita personal income figures can be the result of differing economic opportunities in areas. Population can also influence the per capita figure. For example, per capita income data in an area with a larger family size but with equal or even higher income, may show average worker income less than that of the another area. This illustrates how the figures may not necessarily reveal the health or lack of health of a particular economy. Per capita personal income statistics should be used with a great deal of caution before conclusions are drawn.

SOUTHEAST ALASKA

By Debbie Berggren

LABOR FORCE AND NONAGRICULTURAL EMPLOYMENT

Contrary to the rest of the state, Southeast nonagricultural wage and salary employment declined during July. This decline was less than one percent. Also, Southeast was the only region which had an increased unemployment rate. The unemployment rate increased 2 percentage points to 9.7%.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK SOUTHEAST ALASKA

				CHANGES FROM:	
	P/ 7/82	*R/* 6/82	7/81	6/82	7/81
Nonag. Wage & Salary......	28750	28800	28950	-50	-200
Construction..............	1700	1650	1650	50	50
Manufacturing............	4150	3750	4850	400	-700
Food & Kindred Prod.....	1800	950	1950	850	-150
Lumber & Paper Prod....	2100	2550	2650	-450	-550
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Util.	2700	2750	2800	-50	-100
Trade	4300	4300	4050	0	250
Wholesale Trade	450	400	450	50	0
Retail Trade...............	3850	3900	3600	-50	250
Finance-Ins. & R. Estate ..	1100	1100	1050	0	50
Mining, Services & Misc...........	4200	4150	3950	50	250
Government	10600	11100	10600	-500	0
Federal	2100	2150	2200	-50	-100
State	5150	5300	4900	-150	250
Local.....................	3350	3650	3500	-300	-150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

Primary cause for decreased annual employment was the manufacturing industry. Lumber and paper products employment decreased 18% during July. Temporary layoffs at Louisiana Pacific's pulp and spruce mills in Ketchikan contributed to the decrease. The pulp and spruce mills are to reopen in August. Fish processing employment increased almost 99% during July as processors geared up for the salmon season.

Government employment decreased by 500 jobs during July. State government employment decreased 3%, or 150 jobs, due to the end of the University school year. Local government decreased 8% or 300 jobs over the month. Local education employment dropped about 350 jobs due to the end of the school year. Local noneducation employment increased approximately 50 jobs to slightly offset the decline.

MOLYBDENUM DEMAND AND QUARTZ HILL

By Brit Harvey

U.S. Borax's Quartz Hill molybdenum mining project is the largest non-oil mine planned in the state. It has drawn much interest, particularly from those wishing to diversify Ketchikan's currently struggling local economy. It is possible, however, that this project's contribution to Ketchikan area employment will be delayed substantially.

U.S. Borax and Chemical is a 100% owned subsidiary of Rio Tinto-Zinc, a large multinational mining corporation with headquarters in London1/ and extensive operations in Southern Africa. While Borax is a relatively small corporation with only $400 million in revenues (estimate) and $374 million in assets,2/ Rio Rinto-Zinc is the world's 119th largest non-U.S. corporation, with revenues of $6.1 billion and assets of $9.0 billion.3/ Considering that estimated front-end costs of the Quartz Hill mine will far exceed one billion in as-spent dollars, it is clear that Rio Tinto-Zinc's financial muscle is behind the Quartz Hill project.

The primary question concerning Quartz Hill is how quickly it will be developed. While a legal challenge by the Southeast Alaska Conservation Council is receiving media coverage, a more important factor is the world market demand for molybdenum. Molybdenum supply capacity currently exceeds demand. This is a result of depressed production by the steel industry, the dominant user of molybdenum. Molybdenum prices have dropped in response. Molybdenum now sells for about $7.00/pound, down from as high as $25.50/pound in 1979.

Molybdenum consumption has increased by 4-5% annually, and Borax is counting on a continuation of this long-term trend to provide demand for Quartz Hill molybdenum. This assumes that the current downturn in steel consumption is merely cyclical variation around the secular trend. It is possible, and perhaps probable, that the current downturn in steel con-

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1, 2/ *Forbes;* July 5, 1982, page 120.
3/ *Forbes;* July 5, 1982, page 131.

sumption is a structural rather than cyclical decline. *BusinessWeek* cites sources forecasting a 1.0-1.5% growth in U.S. steel consumption through this decade.4/ Another major mining company, viewing the outlook for molybdenum demand, recently abandoned plans to develop a mine. Borax also announced in July that it was scaling down initial planned production at Quartz Hill by one-third.

Long-term outlooks are highly conjectural, but continued weak steel consumption and low molybdenum prices would almost certainly result in further downward revisions in planned capacity and delays in mine development at Quartz Hill. U.S. Borax could conceivably conduct bulk sampling to determine the quality of their find, and then delay development until market factors support the introduction of added molybdenum capacity. It is quite possible that Ketchikan will have a long wait before Quartz Hill's economic contribution is realized.

4/ *BusinessWeek;* August 9, 1982, page 45.

HOURS AND EARNINGS IN JUNE

By Su Hendrix

The seasonal nature of the manufacturing industry makes it one of the most volatile and therefore interesting to track. Though employment in the food processing sector has been much lower than one year ago, the average weekly hours worked have been steadily increasing since March, with a 13% rise from May to June. This shows that employers have been hiring fewer workers in general, but have been working their employees long hours. This is a positive indicator in light of the many threats to the industry earlier this year.

Transportation, communication and utilities registered a 7% increase in average weekly hours. This change was primarily due to higher average hours in the air transportation sector, which includes air carriers and support services for those carriers.

The 5% increase in wholesale trade's average hourly earnings reflects wage increasses for several firms who are durable goods wholesalers.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 6/82	r/ 5/82	6/81	p/ 6/82	r/ 5/82	6/81	p/ 6/82	r/ 5/82	6/81
MINING	$20.74	$21.13	$18.66	54.6	53.1	51.0	$1132.40	$1122.00	$951.66
CONTRACT CONST.3/	22.77	22.46	19.34	44.5	43.1	47.6	1013.27	968.03	920.58
MANUFACTURING	11.90	13.11	11.70	40.5	39.4	37.3	481.95	516.53	436.41
Food & Kindred Prod.......	8.50	8.99	8.55	40.6	36.0	33.8	345.10	323.64	288.99
Lumber & Paper Prod......	14.84	14.95	14.17	41.7	42.1	42.8	618.83	629.40	606.48
TRANS., COMM. & UTIL.	14.70	14.95	13.74	38.8	36.3	41.8	570.36	542.69	574.33
TRADE	9.65	9.64	9.56	35.1	34.7	34.1	338.71	334.51	326.00
Wholesale Trade	11.72	11.20	11.89	38.2	38.8	37.0	447.70	434.56	439.93
Retail Trade................	8.75	8.93	8.63	33.9	33.1	33.0	296.63	295.58	284.79
FINANCE, INS. & R.E.........	--	--	--	--	--	--	342.41	350.55	311.47

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

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ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC TRENDS

[illegible] Capital Move
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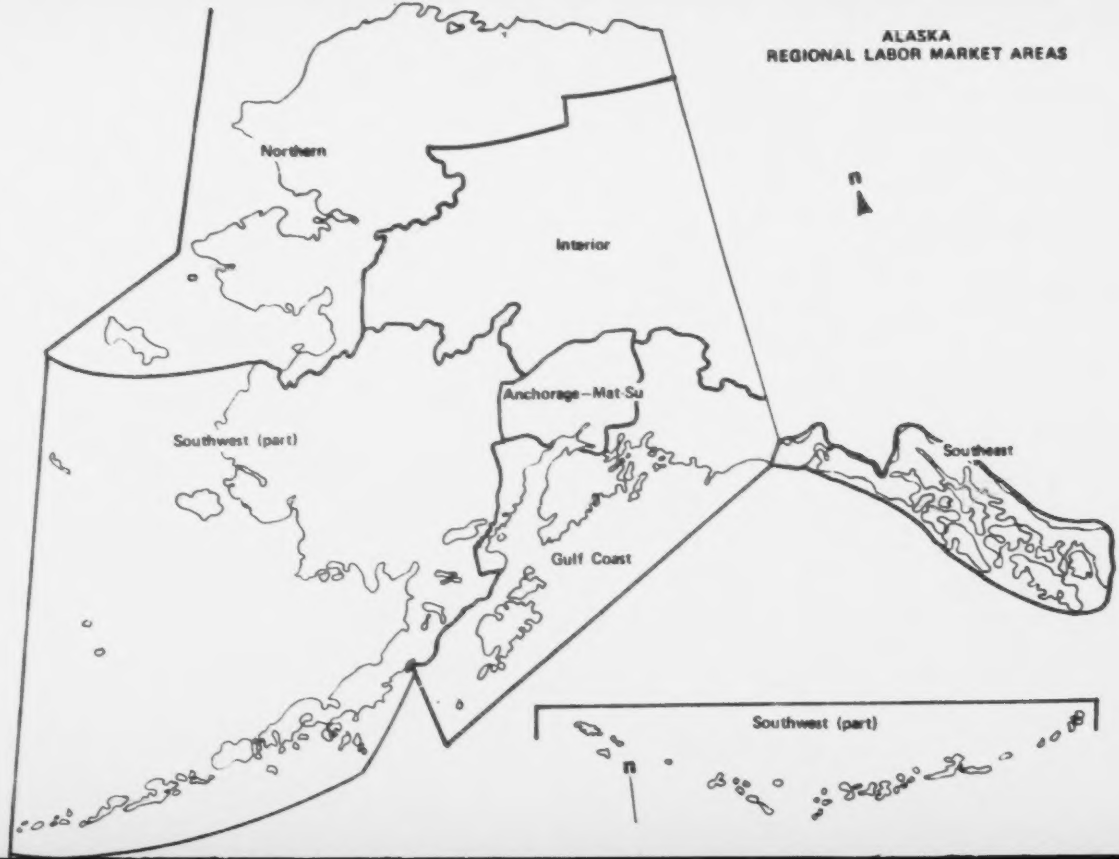
[illegible] Season

October 1982



ALASKA
REGIONAL LABOR MARKET AREAS

n
Northern
Interior
Anchorage–Mat-Su
Southwest (part)
Gulf Coast
Southeast
Southwest (part)
n

ALASKA ECONOMIC TRENDS

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Bureau of Labor Statistics
U.S. Department of Labor

Employment and Training Administration
U.S. Department of Labor

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In This Issue

The CPI and Capital Move Indemnification 1
Alaska Patterns of Employment Change 6
Labor Surplus Areas 7
Port of Anchorage 11
Interior's Summer Season 15
Gulf Coast Nonagricultural Employment 19
Southeast Alaska Nonagricultural Employment 21
Hours and Earnings in July 23

Regular Features

Unemployment Rate and Graphs

Alaska and U.S. 8
Anchorage and Alaska 11
Fairbanks and Alaska 16

Nonagricultural Employment By Industry

Alaska 9
Anchorage/Matsu 13
Anchorage 14
Fairbanks/Interior 17
Fairbanks 18
Gulf Coast 20
Southeast Alaska 22

Composite Nonagricultural Indexes

Alaska 7
Anchorage 10
Fairbanks 15

Hours and Earnings **24**

Labor Force By Region and Census Division
Colored Insert

THE CPI AND CAPITAL MOVE INDEMNIFICATION

By Brit Harvey

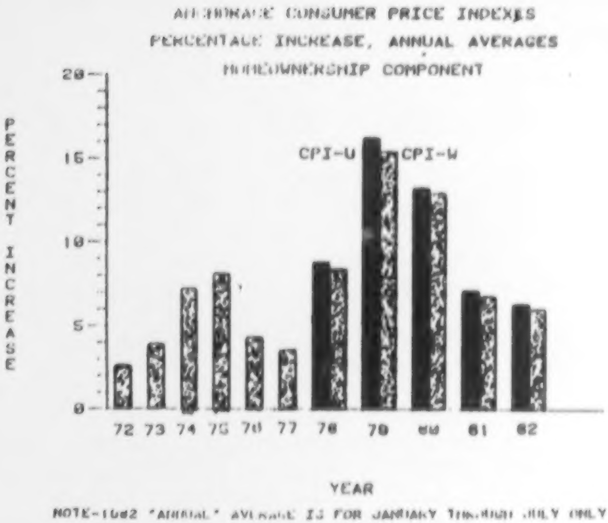
The Consumer Price Index (CPI) is used in a variety of circumstances to adjust money payments over time. The Alaska Legislature chose to use the CPI to adjust the value of residential property in Juneau indemnified by the state in the event of a capital move. Several aspects of this legislation are potentially confusing. This article reviews the legislative basis for indemnification, provides the relevant CPI data, and discusses methodological problems in the CPI data which impact the indemnification issue.

Chapter 44.08 of the Alaska Statutes is entitled "Relocation Indemnification." The law provides for the compensation of Juneau property owners for losses resulting from a capital relocation. Three categories of property are specified; business capital assets (including rental real property), mobile homes, and residential real property. Business capital assets and mobile home indemnification are not based on the CPI. All other indemnified property, essentially residential property, is adjusted in value by the CPI. Owners need not be state employees to be indemnified.

INDEMNIFICATION

A base year fair market value is arrived at for all residential property. For property in existence before January 1, 1976, the assessed value as of that date is the fair market value. Property improved or constructed after this date has the base year fair market value of its first tax assessment. If the property is sold for less than the base year fair market value in subsequent years, the sale price becomes the base year fair market value. This base year fair market value is adjusted for improvements or deterioration, and for inflation. If the property-owner sells and receives less than 95% of the adjusted base year fair market value, the state will give the owner the difference between the sale price and 95% of the adjusted base year fair market value, if the lower sale price is deemed entirely the result of the capital relocation. If no seller can be found, the state will buy the property directly for 95% of the adjusted base year fair market value.

Clearly the adjustment for inflation is an extremely important



aspect of the law. This inflation adjustment is specified in the law as follows (Sec. 44.08.060(a)(4));

> ". . .to reflect quarterly changes in value as determined by comparing the then current quarterly homeownership costs in the Anchorage consumer price index. . .with those published for July 1975; in no case shall the quarterly adjustment factor be less than the average quarterly rate of increase in the index for the calendar years 1971 through 1974 or greater than the average quarterly rate of increase in the index for the four-year period ending the preceding January 1."

At the time the law was passed there was a single Anchorage CPI issued quarterly. In 1978 a change was made. There are now two CPI's, all urban consumers (CPI-U) and urban wage and clerical workers (CPI-W). The new CPI's are issued bi-monthly, rather than quarterly. This introduces ambiguity into the interpretation of the above-quoted passage.

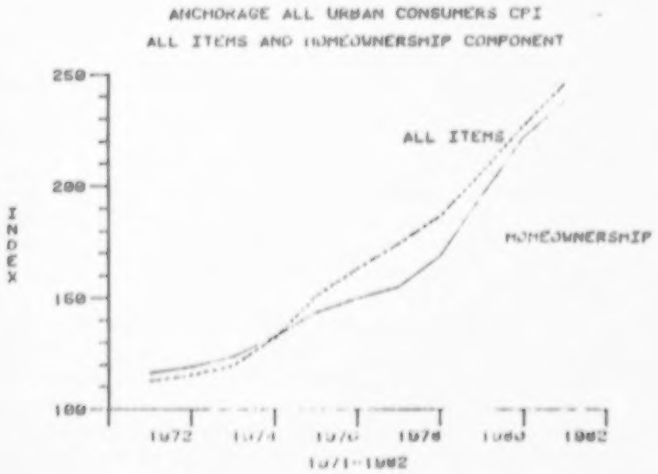
In July, 1975, the Anchorage homeownership component of the CPI was 145.2. The most recent Anchorage homeownership components, as of this writing, are for July, 1982. They are 252.6 for CPI-U and 248.3 for CPI-W. These figures represent 74.0% and 71.0% increases, respectively. The language of the law suggests that an "average quarterly adjustment factor" must be derived from these overall percentage increases. Using the appropriate formula which accounts for compounding, the average quarterly percentage increase in the Anchorage homeownership component of the CPI's between July, 1975 and July, 1982 is 2.0% for CPI-U and 1.9% for CPI-W.

The lower bound specified in the law for inflation adjustment is the average quarterly rate of increase for the calendar years 1971 to 1975. Using the January, 1971 Anchorage homeownership component of 118.6 and the January, 1975 figure of 138.0, the average quarterly rate of increase is 1.0%.

The upper bound is the average quarterly rate of increase for the four year period ending the preceding January 1. Using January, 1978 through January, 1982 as the current four year period, the figures are 2.6% for CPI-U and 2.5% for CPI-W. It should be noted that this is a purely hypothetical upper bound, as the actual upper bound would be computed at the time applications for indemnification were received by the state. The figures given above would be effective if applications were received this year.

EXAMPLE

An example of how the state would indemnify a homeowner if an application was received in August of this year follows.



Assuming a house assessed at $60,000 in 1976 which was maintained but not improved, for which no buyer could be found, and for which all loss of value was attributable to the capital move, the adjusted base year fair market value would be $104,400 or $102,600, depending on which CPI is used. The indemnification payment of 95% of this value would be $99,180 or $97,470.

CPI HOMEOWNERSHIP COMPONENT

A related issue is the methodology used by the Bureau of Labor Statistics (BLS), U.S. Department of Labor, to compute the homeownership component. This component consists of two subcomponents, house prices and mortgage prices. BLS uses a standard method throughout the country to survey housing and mortgage costs. While the details are complex, it is sufficient here to note that Alaska Housing Finance Corporation (AHFC)-financed houses and loans are not included in the BLS survey. AHFC currently finances almost all house sales in Anchorage. The result is that BLS has insufficient sample in Anchorage to compute the homeownership component. In such cases, BLS uses data from similar-sized urban areas in the region (western U.S.) as a proxy. This means that during the period in which AHFC has dominated Anchorage housing finance, the Anchorage homeownership component has been based on housing and mortgage prices in places such as Spokane, Washington or Fresno, California.

This situation will continue for the CPI-U until January, 1983. At this time BLS will switch to a "rental equivalency" method of calculating homeownership costs (See September *Trends*). Instead of surveying house and mortgage prices, BLS will estimate homeownership costs by surveying rental prices in equivalent houses. This methodology will render the AHFC problem moot. The CPI-W will not change until January 1, 1985, a two-year gap. In the interim, the CPI-W will continue to be calculated from proxy data from other cities, barring a change in BLS methodology or AHFC popularity. It is very likely that the Anchorage homeownership component in the CPI-U will diverge significantly from the CPI-W. The indemnification law does not specify which CPI is to be used.

The eventual impact on Juneau property owners of this complicated situation is dependent on future events, and is difficult to predict. The forecast variables are housing and mortgage prices in proxy cities for the next two years, and Anchorage rental prices through the rest of the decade. If voters elect to move the capital, if the move is carried out, if the current indemnification law prevails, and if the legislature chooses to fund indemnification, Juneau homeowners will be indemnified on the basis of one of two probably quite different CPI figures for Anchorage homeownership, neither of which is entirely a measure of Anchorage homeownership costs. Millions of dollars will probably ride on the choice between CPI's.

SUMMARY

In summary, all Juneau residential property owners are indemnified for losses caused by a capital relocation under current law. Allowances for inflation will be a very important factor in determining the value of Juneau residential real estate. Current law specifies the Anchorage homeownership component of the CPI as the measure of inflation. There are two CPI's, with no indication of which is to be used. Both Anchorage CPI's currently estimate homeownership costs by proxy, as AHFC-financed houses are not included in the survey. This method will continue until 1985 for the CPI-W, and until 1983 for the CPI-U. The law specifies an upper and lower bound for the inflation adjustment. It appears that the adjustment figure is likely to fall within these bounds, although only future CPI's can confirm this.

ALASKA

By Brit Harvey

NONAGRICULTURAL EMPLOYMENT

Alaska nonagricultural wage and salary employment exceeded 200,000 for the first time in the state's history during August. The August employment of 200,300 was 0.2% above July and 5.6% above last year. For the most part August employment remained at the summer peak reached in July. At the industry level there were few changes.

PATTERNS OF EMPLOYMENT CHANGE

Despite attempts to encourage development of renewable resources, the 1982 summer employment peak reflects an opposite trend. Among the basic industries, mining (including oil and gas), a nonrenewable resource industry, shows 13% employment expansion this August over last year. The renewable resource sectors, fish processing and lumber and pulp, are down by 5% and 13%, respectively. Government and construction, both of which are largely based on nonrenewable oil wealth, are up over the year by 4% and 14%, respectively. It appears that the past year has seen Alaska become more, rather than less, dependent on nonrenewable resources. This trend may continue. No end is in sight to the depression afflicting the forest products industry, and seafood processing employment will be hurt by an expected poor crab catch.

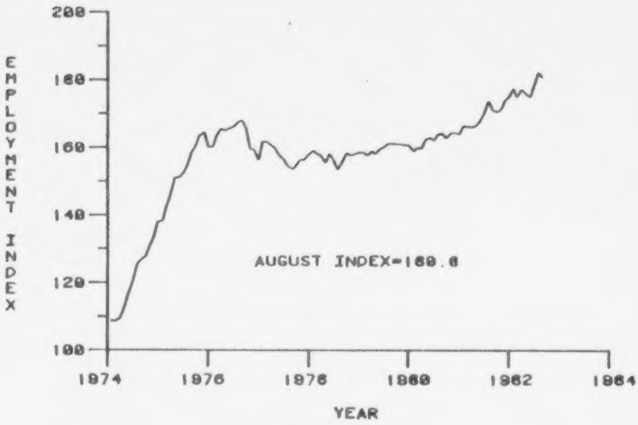
The secondary industries expanded in the past year by roughly 7%, except transportation, communication and utilities, which showed 4% expansion.

The pattern of industry employment level changes is reflected in regional employment changes. Anchorage is the center for nonrenewable resource industries, and the secondary industries. It is these industries which have grown in the past year, resulting in an Anchorage employment increase of 9%. The rest of the state, which relies more on renewable resource industries and government, increased employment in the past year by only 2.5%.

UNEMPLOYMENT

The Alaska August unemployment rate was 8.4%. Compared

ALASKA COMPOSITE NONAG EMPLOYMENT INDEX

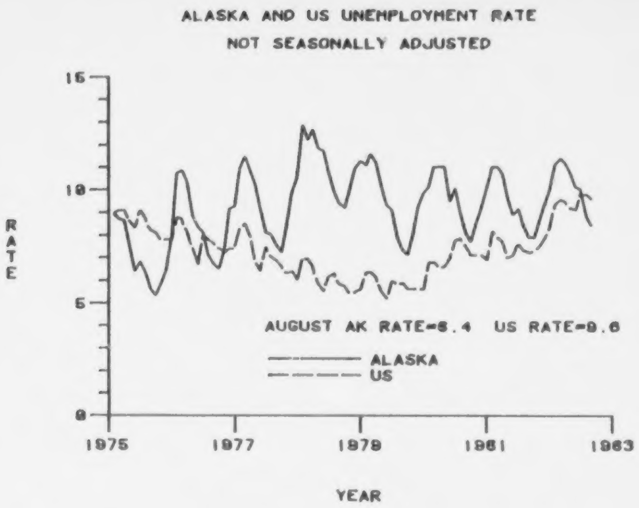


to last year, when August unemployment was 7.9%, 8.4% appears high. When compared to the rest of the U.S., 8.4% is fairly low. The U.S. August rate (not seasonally adjusted) was 9.6%. Alaska's July preliminary rate of 8.8% ranked 29th among states. The August ranking is likely to be even lower. August was only the second month since 1976 that Alaska's unemployment rate has been below the comparable U.S. rate. Essentially, Alaska unemployment is a little higher this year, but U.S. unemployment is a lot higher, making Alaska look relatively better.

Alaska unemployment climbs during fall and peaks in the winter. Alaska's winter unemployment rates will almost certainly exceed national rates, placing Alaska in its usual position as a relatively high unemployment state.

LABOR SURPLUS AREAS

The U.S. Department of Labor, Employment and Training Administration identifies "labor surplus areas." Employers located in these designated areas are potentially eligible for preference in bidding on federal procurement contracts. Areas with unemployment rates at least 1.20 times the national unemployment rate for the previous two years are included in the list of labor surplus areas. As of September 1982, these Alaska census divisions are labor surplus areas:



Angoon
Bethel
Bristol Bay Borough
Cordova-McCarthy
Fairbanks
Haines
Kenai-Cook Inlet
Ketchikan
Kobuk
Kodiak
Kuskokwim
MatSu
Nome
Outer Ketchikan
Prince of Wales
Seward
Skagway-Yakutat
Southeast Fairbanks
Upper Yukon
Valdez-Chitina-Whittier
Wade Hampton
Wrangell-Petersburg
Yukon-Koyukuk

These census divisions are not labor surplus areas:

Aleutian Islands
Barrow-North Slope
Bristol Bay
Juneau
Sitka
Anchorage

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

				CHANGES FROM:	
	P/ 8/82	*R/* 7/82	8/81	7/82	8/81
Nonag. Wage & Salary	200300	200000	189700	300	10600
Mining	8700	8900	7700	-200	1000
Construction	17900	17600	15700	300	2200
Manufacturing	16800	16400	17500	400	-700
Food & Kindred Prod.	10700	10300	11200	400	-500
Lumber & Paper Prod.	2600	2700	3000	-100	-400
All Other Mfg.	3500	3400	3300	100	200
Trans. Comm. & Util.	19900	20100	19100	-200	800
Trucking & Whseing.	2400	2400	2100	0	300
Water Transportation	1700	1800	1800	-100	-100
Air Transportation	5900	6200	6200	-300	-300
Other Transportation Comm. & Utilities	9900	9700	9000	200	900
Trade	34500	34700	32100	-200	2400
Wholesale Trade	6900	6900	6300	0	600
Retail Trade	27600	27800	25800	-200	1800
Gen. Merchandise & Apparel	4500	4600	4300	-100	200
Food Stores	4700	4800	4300	-100	400
Eating & Drinking Places	9900	9900	9200	0	700
Other Retail Trade	8500	8500	8000	0	500
Finance-Ins. & R. Estate	9300	9600	8800	-300	500
Services & Misc.	34700	34600	32500	100	2200
Government	58500	58100	56300	400	2200
Federal Government	18200	18300	18200	-100	0
State Government	16800	16900	16200	-100	600
Local Government	23500	22900	21900	600	1600

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

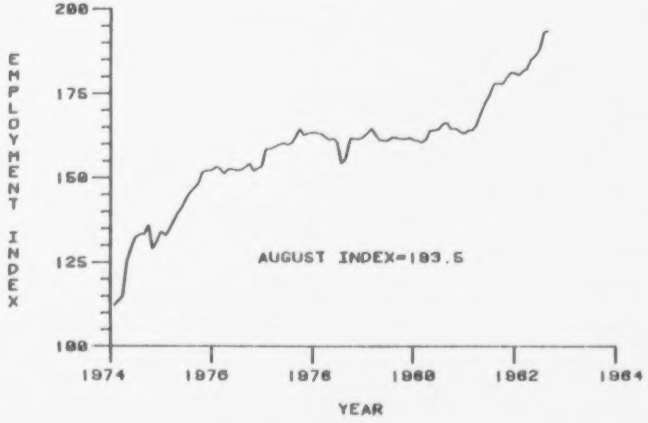
ANCHORAGE/MATSU

By Greg Huff

NONAGRICULTURAL EMPLOYMENT

Anchorage nonagricultural employment for August continued to expand, increasing by 900. The picture was more mixed than last month with most industries registering employment increases but a few declined. Though most of the increase was seasonal in nature the composite index which is seasonally adjusted managed a slight over-the-month increase. Construction employment did not rise as much as usual but this was due to strong hiring earlier in the season. Manufacturing employment declined as a result of layoffs by local fish processors. Air transportation employment dropped over-the-month as a result of Northwest Airline layoffs and seasonal fluctuations. Federal government employment declines were not unexpected given budget cuts.

ANCHORAGE COMPOSITE NONAG EMPLOYMENT INDEX



LABOR FORCE BY REGION AND CENSUS DIVISION

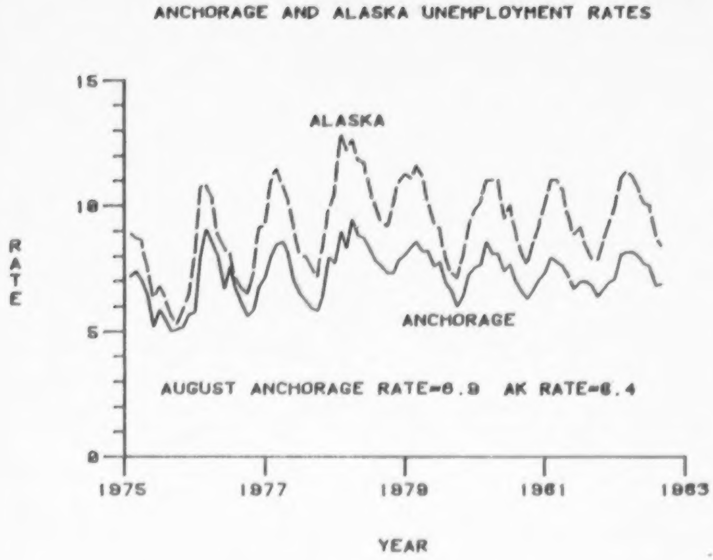
	Labor Force			Unemployment			Rate			Employment		
	P 8/82	*R* 7/82	8/81	*P* 8/82	*R* 7/82	8/81	*P* 8/82	*R* 7/82	8/81	*P* 8/82	*R* 7/82	8/81
Alaska Statewide	210234	212381	202616	17630	18680	16098	8.4	8.8	7.9	192604	193701	186518
Anch.-MatSu Region.....	107387	108507	101178	8021	8129	7295	7.5	7.5	7.2	99366	100378	93883
Anchorage.............	96796	97761	91373	6638	6685	6190	6.9	6.8	6.8	90158	91076	85183
Matanuska-Susitna	10591	10746	9805	1383	1444	1105	13.1	13.4	11.3	9208	9302	8700
Gulf Coast Region	25187	24925	23821	2013	2458	1865	8.0	9.9	7.8	23174	22467	21956
Cordova	1279	1282	1230	38	79	55	3.0	6.2	4.5	1241	1203	1175
Kenai	13156	13071	12362	1348	1624	1175	10.2	12.4	9.5	11808	11447	11187
Kodiak	5522	5475	5249	230	345	236	4.2	6.3	4.5	5292	5130	5013
Seward	1830	1754	1706	177	152	140	9.7	8.7	8.2	1653	1602	1566
Valdez	3400	3343	3274	220	258	259	6.5	7.7	7.9	3180	3085	3015
Interior Region...........	26649	26952	26443	3071	3382	2891	11.5	12.5	10.9	23578	23570	23552
Fairbanks..............	21787	22052	21491	2570	2841	2295	11.8	12.9	10.7	19217	19211	19196
Southeast Fairbanks...	2122	2153	2159	194	226	233	9.1	10.5	10.8	1928	1927	1926
Upper Yukon	658	677	668	83	102	94	12.6	15.1	14.1	575	575	574
Yukon-Koyukuk........	2082	2070	2125	224	213	269	10.8	10.3	12.7	1858	1857	1856
Northern Region	8770	8815	8715	701	735	657	8.0	8.3	7.5	8069	8080	8058
Barrow-North Slope ...	2345	2364	2329	168	185	155	7.2	7.8	6.7	2177	2179	2174
Kobuk..................	2750	2754	2726	246	246	225	8.9	8.9	8.3	2504	2508	2501
Nome	3675	3697	3660	287	304	277	7.8	8.2	7.6	3388	3393	3383

Southeast Region	30580	31311	31729	2617	3052	2638	8.6	9.7	8.3	27963	28259	29091
Angoon	443	450	447	73	76	62	16.5	16.9	13.9	370	374	385
Haines	1043	1061	1059	100	108	77	9.6	10.2	7.3	943	953	982
Juneau	10831	11053	11347	680	794	788	6.3	7.2	6.9	10151	10259	10559
Ketchikan	6746	6926	6773	864	981	653	12.8	14.2	9.6	5882	5945	6120
Outer Ketchikan	785	796	829	92	96	108	11.7	12.1	13.0	693	700	721
Prince of Wales	1451	1461	1583	157	153	237	10.8	10.5	15.0	1294	1308	1346
Sitka	4441	4623	4554	340	479	288	7.7	10.4	6.3	4101	4144	4266
Skagway	1442	1486	1534	74	104	111	5.1	7.0	7.2	1368	1382	1423
Wrangell-Petersburg	3398	3455	3603	237	261	314	7.0	7.6	8.7	3161	3194	3289
Southwest Region	11661	11871	10730	1207	924	752	10.4	7.8	7.0	10454	10947	9978
Aleutian Islands	2975	3074	2809	132	97	96	4.4	3.2	3.4	2843	2977	2713
Bethel	3891	3904	3535	565	422	361	14.5	10.8	10.2	3326	3482	3174
Bristol Bay Borough	401	409	368	26	16	10	6.5	3.9	2.7	375	393	358
Bristol Bay	1511	1549	1389	107	79	49	7.1	5.1	3.5	1404	1470	1340
Kuskokwim	1050	1072	957	143	123	92	13.6	11.5	9.6	907	949	865
Wade Hampton	1833	1863	1672	234	187	144	12.8	10.0	8.6	1599	1676	1528

P/=Preliminary 1981 Benchmark

R/=Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.



PORT OF ANCHORAGE

History Brief

The site of the present day port facilities has roots going back to the early days of Anchorage and the city's first dock built at the mouth of Ship Creek. Under Army command the dock was primarily used for refueling ships with coal from the nearby Matanuska Mine. This dock was later abandoned and replaced with a new Ship Creek dock in 1927. The post WWII years brought significant growth and change to the Anchorage economy. The military established permanent installations in Anchorage, and the Anchorage Port Commission was created in 1946 to further facilitate this growth.

The Modern Port

The development and expansion of the Port of Anchorage in the 1960's was an integral part in insuring Anchorage of its position as the hub of the state's transportation network. Today from 70%-75% of the total tons of non-petroleum cargo shipped within the southcentral region (which includes Valdez, Seward and Whittier) goes through the Port of Anchorage to be distributed throughout the state via truck, air and rail.

The Port's "Berth One" was completed in April of 1961. In the eight remaining months of that year 38,800 tons of cargo were handled at the port. Less than 20% of the commerce was containerized and no bulk petroleum was shipped. In 1981 over 365,000 tons (2.6 million bbls) of bulk petroleum were shipped through the port. Non-petroleum cargo represented 78% of the total 1.7 million tons of cargo, of which 90% was containerized. The tonnage and make-up of the cargo has changed significantly over the years. Containerization was adopted in 1961 by the Alaska Steamship Co. on a limited basis. A significant factor in the port's growth was the emergence of the Port of Anchorage after the 1964 earthquake as the area's only major operable shipping facility, although it did receive extensive damage as a consequence of the quake. Following the trends of increased containerized shipping, Sealand Corporation in late 1964 started weekly year-round calls on the port. In 1965 containerized cargo became the prominent method of shipping non-petroleum cargo; tonnage share increased to over 70% of all non-petroleum shipments. Also in 1965 the POL (petroleum, oil and lubricant) berth was completed. Bulk petroleum, overnight, became the largest single item shipped through the port. At year-end over 70% of the total tons of cargo shipped through the port were petroleum related.

By 1970 another general cargo berth had been completed; however, petroleum shipments still represented the bulk of all shipments. TOTEM joined Sealand Corporation in making weekly calls on the Port of Anchorage in 1975, adding a new dimension of competitive service. In the mid 1970s the tonnage share characteristics began to change again and another general cargo berth was added. Petroleum shipment began to decline in 1976 as a result of the completion of the petroleum products pipeline from Kenai and the construction of the North Pole refinery. In 1976 general cargo shipments increased their tonnage share to 40% and by 1981 over 80% of all shipments were non-petroleum. As a result of declines in the petroleum products, overall tonnage has also declined. About the only cargo characteristic that has not changed over the years is that over 95% of all shipments are inbound. Of the outbound cargo, vehicles represent the bulk of those shipments.

So far this year total tonnage is above that of a year-ago. As of August, 1982, total cargo tonnage was up 4% above year-ago levels. Bulk petroleum shipments were down, but non-petroleum cargo tonnage was nearly 13% above year-ago levels resulting in the overall tonnage increase. In all, 1,170,170 tons of cargo passed through the port this year, 85% of which was non-petroleum related.

Water Transportation Employment

Reflecting the overall increase in tonnage handled at the port this year, water transportation employment was also 10% above last August.

Water transportation employment has increased from 100 in 1961 to 400 in 1981. This growth is similar to growth of total Anchorage wage and salary employment resulting in the percentage share of water transportation to total employment remaining relatively constant over the years. However, since 1964 Anchorage water transportation employment as a percent of statewide water transportation employment increased from less than 10% in 1961 to 31% in 1976 and 1977 only to decline in 1978-80 (after the completion of the oil pipeline) and increase in 1981. Future growth will depend on coal export prospects (in 1980 over 27,000 tons of coal were sent to Korea in a trial shipment), expansion of port facilities, land availability in the port vicinity and competition from other neighboring ports.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/	R/		CHANGES FROM:	
	8/82	7/82	8/81	7/82	8/81
Nonag. Wage & Salary	101050	100150	93100	900	7950
Mining	3800	3750	3300	50	500
Construction	10550	10400	8950	150	1600
Manufacturing	2850	3050	2650	-200	200
Trans. Comm. & Util.	10100	10000	9350	100	750
Trade	21550	21200	19100	350	2450
Finance-Ins. & R. Estate	6650	6550	6150	100	500
Services & Misc.	20050	19800	18600	250	1450
Government	25500	25400	25000	100	500

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK
ANCHORAGE

	P/	R/		CHANGES FROM:	
	8/82	**7/82**	**8/81**	**7/82**	**8/81**
Nonag. Wage & Salary	97350	96450	89400	900	7950
Mining	3650	3650	3200	0	450
Construction	10150	9950	8600	200	1550
Manufacturing	2800	3000	2550	-200	250
Food & Kindred Prod.	700	950	800	-250	-100
Other Mfg.	2100	2050	1750	50	350
Trans. Comm. & Util.	9850	9700	9100	150	750
Trucking & Wheeing.	1350	1250	1250	100	100
Water Transportation	550	550	500	0	50
Air Transportation	3600	3700	3400	-100	200
Other Transportation Comm. & Utilities	4350	4200	3950	150	400
Trade	20750	20400	18400	350	2350
Wholesale Trade	4800	4800	4400	0	400
Retail Trade	15950	15600	14000	350	1950
Gen. Merchandise	1950	1900	1900	50	50
Food Stores	2350	2350	2050	0	300
Eating & Drinking Places	5600	5450	4850	150	750
Other Retail Trade	6050	5900	5200	150	850
Finance-Ins. & R. Estate	6550	6500	6050	50	500
Services & Misc.	19500	19250	18250	250	1250
Government	24100	24000	23250	100	850
Federal	10100	10200	10100	-100	0
State	5750	5750	5350	0	400
Local	8250	8050	7800	200	450

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

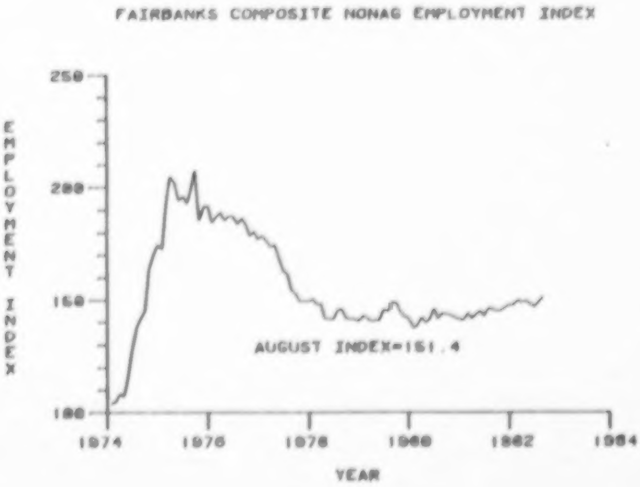
INTERIOR/FAIRBANKS

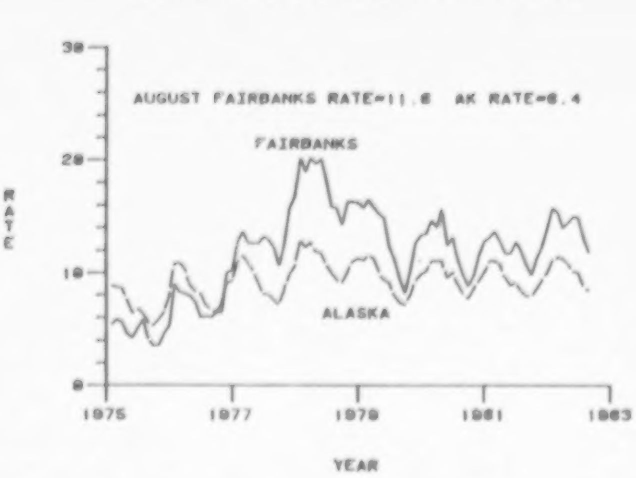
By Neal Fried

Interior's Summer Season

Given the nature of the Interior's seasonal economy, the summer is the most important time of the year for economic activity. This is the time of year when activity is literally crammed in to make up for time lost due to cold weather during the remainder of the year. It is a time of the year which many people wait for to earn their livelihood.

Fairbanks employment levels during a typical year fluctuate as much as 17%-18%, from the low month (usually January) to the high month (usually September). The health or lack of health of Interior's economy can usually be measured by the amount of activity that takes place during this short season. This is the only time of the year when certain economic growth can take place, such as the construction of new facilities, roads, etc. Other industries such as tourism depend almost entirely on this season. Therefore, with the season almost entirely over, we can begin to assess how Interior's economy has fared thus far this year. No matter how poor the shape of Fairbanks' economy, seasonal increases in the summer always





FAIRBANKS AND ALASKA UNEMPLOYMENT RATES

occur. What is important however, is whether the seasonal growth that takes place is below, exceeds or is a repeat of year-ago levels.

During the past four months, Fairbanks and the balance of Interior's wage and salary employment has exceeded 1981's by 2-3%. This growth (which Fairbanks has only been experiencing since 1981) has been stimulated by increased public funded construction and growth in military, government and North Slope activity. These basic industries have provided growth to the region's secondary industries, in particular trade, finance and services. The construction industry made the largest percentage gains (8%), but finance and services grew by 6% and trade by 4%.

There are two areas in the interior which have not fared as well this summer. Both of these are areas which benefit Interior's rural residents in particular. The fire-fighting season was slow this year which meant less employment for many in rural Interior where wage income is often scarce. Last year there were more than 7 major fires and this year there was only one. It was simply a wetter summer—not very conducive to forest fires. This year's Yukon salmon fishery (the upper and lower Yukon) has also been very poor. Though it is a small commercial fishery compared to the rest of the state's catch (less than 1-2%) it is an important source of income for many of Interior's residents. This year's catch has been less than half of last year's take and was significantly below the past 8 year's catch levels. The upper Yukon fall chum season has been down particularly this year. Both sources of employment are dependent to a large extent on nature—and therefore it is not unusual that major fluctuations occur from year to year. Despite these setbacks, employment growth in other areas has more than made up for these losses this summer season.

August's Wage and Salary Developments

August's statistics have contributed to this summer's growth with wage and salary employment reaching 23,700, about 750 above year-ago levels and the highest employment level since 1978. Construction got started or continued on a number of major projects this month. The $20 million expansion of the Fairbanks Memorial Hospital and the construction of 3 new elementary schools continued in August. Highway construction continued in high gear with such projects as the $938,000 College Road paving job, the $5.6 million Delta to 10 mile SE job, the $7 million Tok to Yerrick Creek project among a few of the major projects presently underway.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

				CHANGES FROM:	
	P/	*R/*			
	8/82	**7/82**	**8/81**	**7/82**	**8/81**
Noneg. Wage & Salary	27250	26850	26500	400	750
Mining	250	250	250	0	0
Construction	2550	2500	2450	50	100
Manufacturing	600	600	750	0	-150
Trans. Comm. & Util.	3750	3750	3700	0	50
Trade	4650	4650	4500	0	150
Finance-Ins. & R. Estate ..	900	900	800	0	100
Services & Misc.	5100	4850	4850	250	250
Government	9450	9350	9200	100	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/	R/		CHANGES FROM:	
	8/82	7/82	8/81	7/82	8/81
Nonag. Wage & Salary	23700	23400	22950	300	750
Mining	50	50	50	0	0
Construction	2450	2350	2350	100	100
Manufacturing	500	500	550	0	-50
Trans. Comm. & Util.	2900	2850	2850	50	50
Trucking & Whseing.	450	450	450	0	0
Air Transportation	750	700	700	50	50
Other Trans. Comm. & Utilities	1700	1700	1700	0	0
Trade	4300	4350	4200	-50	100
Wholesale Trade	700	700	700	0	0
Retail Trade	3600	3650	3500	-50	100
Gen. Merchandise & Apparel	400	450	450	-50	-50
Food Stores	600	600	550	0	50
Other Retail Trade	2600	2600	2500	0	100
Finance-Ins. & R. Estate	850	800	750	50	100
Services & Misc.	4700	4450	4400	250	300
Government	7950	8050	7800	-100	150
Federal	2500	2550	2550	-50	-50
State	3350	3350	3250	0	100
Local	2100	2150	2000	-50	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

A further boost in August came from this year's sealift to Prudhoe Bay. This year's sealift is the second largest sealift to Prudhoe Bay. Since 1969 the sealift has been an annual affair, and August is normally the only time the arctic ice pack moves out for a 6 week period, allowing the barges to deliver their cargo. The sealift demands additional labor to unload and put in place the building modules brought up on the sealift. According to ARCO and SOHIO this means approximately 400 workers, and many of these workers come out of the union halls in Fairbanks.

GULF COAST

By Neal Fried

LABOR FORCE

Gulf Coast's labor force statistics remained dynamic in August. The region's employment grew, unemployment fell, bringing the Gulf Coast unemployment rate (8%) below most other regions in the state. This is a rare occurrence, and it only happens during July and August when the salmon season reaches its brief peak. These unemployment rates however, will rise as rapidly as they have fallen with the end of the salmon season.

NONAGRICULTURAL EMPLOYMENT

Wage and salary employment grew by 1,000 in August, one of the largest one month gains this year. Employment also registered 1,400 above year-ago levels, the largest over the year gain this year. Almost all industries in the region contributed to this growth, with fish processing contributing 50%. Due to price disputes in the fishing industry, employment this summer had been consistently falling below 1981 levels. In August the season broke loose however, particularly in the Cordova region, where catches were large enough to make up for the short falls in previous months. This brought catch levels up to 1981's levels. So much activity was concentrated in one month's time, that Cordova and Kodiak unemployment rates fell by as much as 50%. This is simply another example of the volatile fishing industry, and the effects it has on the region's overall labor market statistics.

Though fish processing employment provided the lion's share of August's increases, a number of other industries in the region contributed to the over the month and year growth. Construction has been the second major contributor to this growth-as publicly financed projects such as schools, highways, and other projects reach their peak months of activity. Gains, though modest have also been made in trade, transportation, services, and government. Though the increase in the non-fish processing industries was not as dramatic, these industries have sustained over the year growth for almost the entire year and not just for a couple of months time.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

				CHANGES FROM:	
	P/	*R/*			
	8/82	**7/82**	**8/81**	**7/82**	**8/81**
Nonag. Wage & Salary	20100	19100	18700	1000	1400
Mining	900	900	900	0	0
Construction	1350	1300	1100	50	250
Manufacturing	6200	5350	5500	850	700
Food & Kindred Prod.	5300	4450	4500	850	800
All Other Mfg.	900	900	1000	0	-100
Trans. Comm. & Util.	1750	1800	1650	-50	100
Trade	2700	2700	2600	0	100
Wholesale Trade	450	450	450	0	0
Retail Trade	2250	2250	2150	0	100
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2750	2700	2650	50	100
Government	4000	3900	3850	100	150
Federal	500	500	550	0	-50
State	1350	1350	1350	0	0
Local	2150	2050	1950	100	200

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

SOUTHEAST ALASKA

By Debbie Berggren

NONAGRICULTURAL EMPLOYMENT AND LABOR FORCE

Southeast nonagricultural wage and salary employment increased 1% during August to 29,000. This was 300 jobs above July. The unemployment rate decreased 1.1 percentage points to 8.6%.

During August, manufacturing employment increased by 50 jobs. While pulpmill employment increased approximately 100 jobs, logging and sawmill employment dropped by 200 jobs. Food processing employment increased 5% to 1,450.

Eating and drinking establishment employment increased 3% over the month and was 21% above last year. The over the month increase accounted for over half of the increase in retail trade employment. All other sectors of trade experienced employment increases. As a whole, construction remained at July's level of 1,650. A closer look shows that building construction employment increased 50 jobs while heavy construction decreased by 50 jobs. Special trade's employment was unchanged from July.

As schools prepared for the new school year, local education employment increased by 150 jobs. All other government was unchanged.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	P/ 8/82	R/ 7/82	8/81	7/82	8/81
Nonag. Wage & Salary	29000	28700	29350	300	-350
Construction	1650	1650	1700	0	-50
Manufacturing	3850	3800	4950	50	-1100
Food & Kindred Prod.	1500	1400	2350	100	-850
Lumber & Paper Prod. ...	2050	2150	2350	-100	-300
All Other Mfg.	300	250	250	50	50
Trans. Comm. & Util.	2650	2700	2800	-50	-150
Trade	4500	4400	4150	100	350
Wholesale Trade	450	450	450	0	0
Retail Trade	4050	3950	3700	100	350
Finance-Ins. & R. Estate ..	1100	1100	1050	0	50
Mining, Services & Misc.	4350	4300	4000	50	350
Government	10900	10750	10700	150	200
Federal	2100	2100	2200	0	-100
State	5150	5150	4850	0	300
Local	3650	3500	3650	150	0

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

HOURS AND EARNINGS IN JULY

By Su Hendrix

As most union contracts schedule annual pay rate increases in July, many construction firms reported raises for their employees. The raises resulted in a 5% increase in average hourly earnings for those working in the construction industry. It appears that all sectors of this industry were affected, some as much as $3.00 an hour. Slightly higher overtime hours by some firms contributed to these increases as well.

The average hourly wage in the manufacturing industry dropped 13%, as employment of lower paid food processors increased 75% and the employment of higher paid wood and paper processors dropped off.

With many food processors launching themselves into the salmon season, the average weekly hours jumped 13% in July. The average hourly earnings showed a typical drop at this time due to temporary workers being hired by firms that operate only during this season.

All sectors of the finance, insurance, and real estate industry showed increases in average weekly earnings. The largest jump occurred in the real estate sector, however. These increases resulted in a 6% upturn in average weekly earnings for the industry as a whole.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 7/82	r/ 6/82	7/81	p/ 7/82	r/ 5/62	7/81	p/ 7/82	r/ 6/82	7/81
MINING	$21.46	$20.74	$19.05	53.6	54.6	51.9	$1150.26	$1132.40	$988.70
CONTRACT CONST.3/	23.86	22.77	20.43	46.1	44.5	48.1	1099.95	1013.27	982.68
MANUFACTURING	10.57	12.11	10.42	41.8	39.0	48.0	441.83	472.29	500.16
Food & Kindred Prod.	8.16	8.62	8.85	42.8	37.8	51.3	349.25	325.84	454.01
Lumber & Paper Prod.	14.69	14.94	14.18	38.8	41.6	40.7	569.97	621.50	577.13
TRANS., COMM. & UTIL.	14.95	14.70	14.14	38.6	38.8	40.0	577.07	570.36	565.60
TRADE	9.73	9.70	9.47	35.7	35.0	35.1	347.36	339.50	332.40
Wholesale Trade	11.75	11.89	11.50	38.5	38.1	37.6	452.38	453.01	432.40
Retail Trade	8.88	8.75	8.66	34.6	33.9	34.2	307.25	296.63	296.17
FINANCE, INS. & R.E.	--	--	--	--	--	--	360.68	339.76	312.64

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.